

Spring 1993

# Tobacco and Its Role in the Life of the Confederacy

D. T. Smith

*Old Dominion University*

Follow this and additional works at: [https://digitalcommons.odu.edu/history\\_etds](https://digitalcommons.odu.edu/history_etds)



Part of the [Economic History Commons](#), and the [United States History Commons](#)

---

## Recommended Citation

Smith, D. T.. "Tobacco and Its Role in the Life of the Confederacy" (1993). Master of Arts (MA), thesis, History, Old Dominion University, DOI: 10.25777/25rf-3v69  
[https://digitalcommons.odu.edu/history\\_etds/30](https://digitalcommons.odu.edu/history_etds/30)

This Thesis is brought to you for free and open access by the History at ODU Digital Commons. It has been accepted for inclusion in History Theses & Dissertations by an authorized administrator of ODU Digital Commons. For more information, please contact [digitalcommons@odu.edu](mailto:digitalcommons@odu.edu).

TOBACCO AND ITS ROLE IN THE LIFE OF THE CONFEDERACY

by

D. T. Smith

B.A. May 1981, University of Akron, Akron, Ohio

A Thesis submitted to the Faculty of  
Old Dominion University in Partial Fulfillment of the  
Requirement for the Degree of

MASTER OF ARTS

HISTORY

OLD DOMINION UNIVERSITY

May, 1993

Approved by:

Harold S. Wilson (Director)

---

---

---

Copyright by David Trent Smith © 1993

All Rights Reserved

## ABSTRACT

### TOBACCO AND ITS ROLE IN THE LIFE OF THE CONFEDERACY

D. T. Smith  
Old Dominion University, 1993  
Director: Dr. Harold S. Wilson

This study examines the role that tobacco played in influencing Confederate policy during the American Civil War. Surprisingly, very little research has been done on this subject; historians have virtually ignored the influence of tobacco upon Southern economic interests between 1850 and 1870.

The southern tobacco-producing states grew 439,183,561 pounds of raw tobacco in 1860. Southern manufactured tobacco was worth \$21,820,535 in 1860, and along with other agricultural products, especially cotton, played an important economic, political, and diplomatic role in the life of the Confederacy. The tobacco industry represented a very strong interest group in the Upper South during the Civil War.

After the war, tobacco emerged again as the principal cash crop of the Upper South, as consumption became a national pastime.

## TABLE OF CONTENTS

Chapter	Page
1. THE ANTEBELLUM SOUTHERN TOBACCO INDUSTRY .	1
2. TOBACCO: A MISMANAGED CONFEDERATE ASSET .	21
3. CONFEDERATE TOBACCO AND INTERNATIONAL TRADE	46
4. CONFEDERATE TOBACCO AND FOREIGN DIPLOMACY .	67
5. THE POSTBELLUM TOBACCO INDUSTRY IN THE SOUTH	88
BIBLIOGRAPHY . . . . .	109
APPENDICES	
1. THE CAPITAL WORTH OF VIRGINIA TOBACCO MANUFACTURERS IN VIRGINIA 1849-1850 AND 1858-1859 . . . . .	113
2. ANTEBELLUM TOBACCONISTS . . . . .	115
3. FOREIGN TOBACCO DEALERS . . . . .	117
4. VALUE OF TOBACCO IMPORTED INTO THE UNITED KINGDOM (1855-1870) . . . . .	118
5. TOBACCO MANUFACTURERS OF RICHMOND IN 1850 . . . . .	119
6. TOBACCO MANUFACTURERS OF LYNCHBURG IN 1850 . . . . .	120
7. TOBACCO MANUFACTURERS OF DANVILLE IN 1850 . . . . .	122
8. TOBACCO MANUFACTURERS OF FARMVILLE IN 1850 . . . . .	124
9. TOBACCO MANUFACTURERS OF RICHMOND IN 1860 . . . . .	125
10. TOBACCO MANUFACTURERS OF LYNCHBURG IN 1860 . . . . .	127

11.	TOBACCO MANUFACTURERS OF DANVILLE IN 1860 . . . . .	128
12.	RAW TOBACCO PRODUCTION IN THE SOUTHERN STATES IN 1850 AND 1860 . . . . .	129
13.	MANUFACTURED TOBACCO PRODUCTION FOR VIRGINIA, THE SOUTHERN STATES, AND THE UNITED STATES IN 1850 AND 1860 . . . . .	130
14.	TOBACCO PRODUCTION OF MANUFACTURERS IN CAMPBELL, PITTSYLVANIA, HENRICO, DINWIDDIE COUNTIES IN 1860 . . . . .	131
15.	TOBACCO MANUFACTURED IN VIRGINIA, 1870 . . . . .	132
16.	POSTBELLUM TOBACCO PRODUCTION, 1870 . . . . .	133

## CHAPTER 1

### THE ANTEBELLUM SOUTHERN TOBACCO INDUSTRY

From the days of John Rolfe and the fledgling English colony at Jamestown until the 1850s, tobacco was a major agricultural interest to Virginia, the South, and of course, the nation. Even though the South's cotton yield was much more economically profitable over the years, the "older staple continued to be the principal money crop for a large part of the Upper South. Tobacco in certain areas was hardly less important than cotton in the Gulf states."<sup>1</sup> Cotton was indeed the cornerstone of "King Cotton" diplomacy;<sup>2</sup> cotton was at the hub of social, commercial, political, and diplomatic activity in the South during the

---

<sup>1</sup>Joseph C. Robert, *The Tobacco Kingdom* (Durham: Duke University Press, 1938), viii.

<sup>2</sup>In layman's terms, "King Cotton" diplomacy refers to the time-honored principle which claims that the agricultural commodity of cotton was all-important to the political, economic, and diplomatic interests of the Confederate States of America. The Confederacy believed that England and France would politically recognize and militarily support the Confederate States of America in its struggle against the United States in exchange for a steady supply of cotton.

Confederate era.<sup>3</sup>

This study, however, will examine the primary role that tobacco played in the institutions of the South from 1850 to 1870. Several important volumes have been written about "King Cotton" culture and diplomacy, but very little has been said about the primacy of tobacco to the economic and political interests of the Confederacy.<sup>4</sup>

---

<sup>3</sup>Frank L. Owsley, *King Cotton Diplomacy—Foreign Relations of the Confederate States of America* (Chicago: University of Chicago Press, 1931). Owsley's *King Cotton Diplomacy* is considered to be the authoritative study of Confederate foreign diplomacy, and the crucial role that cotton played therein.

<sup>4</sup>Joseph C. Robert's *The Tobacco Kingdom* is recognized as a thorough examination of tobacco cultivation from its inception at Jamestown to the modern manufacturing and marketing strategies of the twentieth century. The only glaring omission of Robert's highly-acclaimed effort is the absence of documentation of the Confederate tobacco industry during the war. Robert does a commendable job in his description of the antebellum and postbellum tobacco industries; his volume, however, fails to address significant existing documentation which reinforces the validity of the concept of "King Tobacco." B.W. Arnold's *History of the Tobacco Industry in Virginia from 1860-1894* relies heavily upon statistical data gleaned from the agricultural and manufacturing schedules of the seventh, eighth, ninth, and tenth census reports. Arnold's study is very much data-based and provides the reader with a fairly well-rounded quantitative study of the tobacco industry following the Reconstruction. His work, however, is also incomplete as a result of his failure to address important issues and developments that pertain to the war years. Nannie Mae Tilley's *The Bright Tobacco Industry, 1860-1929* is accepted as the definitive inspection of the cultivation, curing, and manufacture of bright tobacco in Virginia and North Carolina. Tilley's highly-regarded work is trade-oriented, however, and is without any historical documentation of the tobacco industry as it existed during the Civil War. Several articles have been published on this subject. Bingham Duncan's "Franco-American tobacco diplomacy" (*Maryland Historical Magazine*, vol. 51) is an



The tobacco planters and manufacturers of Virginia and North Carolina provided the nation as well as the world with a product unsurpassed in terms of economic demand and profit. Kentucky, Tennessee and Missouri grew significant quantities of tobacco prior to the Civil War; in 1860, Kentucky grew 108,126,840 pounds, Tennessee 43,448,097 pounds, and Missouri 25,086,196 pounds.<sup>5</sup> The largest quantities and best quality of tobacco that was grown in the United States grew in the tobacco heartland of the future Confederate States of America: Virginia and North Carolina.<sup>6</sup>

As of 1850, the cities of Richmond, Lynchburg, Danville, and Petersburg were established as the premier tobacco manufacturing centers in the Old South.<sup>7</sup> The

---

excellent examination of the diplomatic role that tobacco played in American foreign policy before the war. W.F. Spencer's "French Tobacco in Richmond" (*Virginia Magazine of History and Biography*, vol. 71), captures the essence of the controversy which described the Confederacy's attempt to transport French-owned tobacco from Richmond to France through the Federal naval blockade in 1863-1864. Frank L. Olmstead's "Tobacco Tax of 1863 to 1864" (*Quarterly Journal of Economics*, vol. 5), focuses on the taxation policies of the Federal government on tobacco in 1863 and 1864.

<sup>5</sup>U.S. Census, 1860: Manufacturing Schedule, Virginia (Washington, D.C.: Government Printing Office, 1863). Also see Appendix 12 on page 129.

<sup>6</sup>Virginia and North Carolina produced a crop of roughly 155,000,000 pounds that was valued at nearly \$15,000,000 in 1860.

<sup>7</sup>B.W. Arnold, *History of the Tobacco Trade in Virginia from 1860-1894* (Baltimore: Johns Hopkins Press, 1897), 58.

nationally and internationally renowned Virginia tobacco leaf, lump, and twist was grown, processed, manufactured, and shipped out from this highly-prized agricultural region by wealthy and influential planters, merchants, and manufacturers.<sup>8</sup>

Tobacconists such as James Thomas, Jr., of Richmond, William T. Sutherlin of Danville, David Dunlop of Petersburg, and Augustine Leftwich of Lynchburg, were among the wealthiest and most successful manufacturers of their respective cities during the 1850s. In 1850 the Thomas tobacco factory, one of the largest in Richmond with ninety hands in both slave laborers and hired operatives, made 600,000 pounds of chewing tobacco valued at \$120,000. Thomas's business practically doubled between 1850 and 1860. At the latter date it employed 150 hands—more than any other Richmond factory—and made 1,100,000 pounds of chewing tobacco valued at \$225,000.<sup>9</sup> The breadth and scope of Sutherlin's tobacco business mirrored that of his counterpart in Richmond.

By 1850, Sutherlin's labor force numbered forty, and he manufactured tobacco worth \$55,000. In less than 10 years, his factory, clearly the most extensive in all Pittsylvania County, employed seventy-five hands and produced 435,000 pounds of the manufactured product valued at \$97,732. Sutherlin's slave

---

<sup>8</sup>Please see Appendix 1 on page 113 for figures which reflect the capital worth of prominent tobacconists of Virginia during the antebellum period.

<sup>9</sup>Robert, *The Tobacco Kingdom*, 195.

ownership increased from twenty-seven to forty between 1850 and 1860.<sup>10</sup>

Dunlop's tobacco enterprises "specialized in the export trade and produced 400 tons of lump and twist tobacco annually; he employed between 110 and 300 hands each year in the decade of 1850."<sup>11</sup> Manufactured tobacco was commonly referred to as lump or chewing tobacco. "Twist" tobacco was a variety of chew which was produced by twisting several kinds of tobacco together.

Thomas, Sutherlin, Dunlop and Leftwich were not the only major influential tobacconists of Richmond, Lynchburg, Danville, and Petersburg. J.H. Grant and William Barrett were also very wealthy and successful tobacco manufacturers in Richmond; they were worth \$350,000 and \$100,000, respectively, in 1850. Bird L. Ferrell and his son Peter W. Ferrell worked in conjunction with Sutherlin's enterprises in Danville. J.W. Holland also had a successful tobacco factory in Danville. W.B.B. Walker and Doctors Madison Pendleton and William J. Pendleton were active in the tobacco trade in northern Louisa County, just north of

---

<sup>10</sup>Robert, *The Tobacco Kingdom*, 179-80; U.S. Census, 1850: Manufacturing Schedule, Virginia; U.S. Census, 1860: Manufacturing Schedule, Virginia.

<sup>11</sup>Robert, *The Tobacco Kingdom*, 186; U.S. Census, 1850: Manufacturing Schedule, Virginia; U.S. Census, 1860: Manufacturing Schedule, Virginia.

Richmond.<sup>12</sup> The biographical profile of James Thomas, Jr., reflects the general background of the successful antebellum tobacco manufacturer. Thomas was a middle-aged (born in Caroline County, Virginia, 1806) entrepreneur whose tobacco career began in 1829, when he obtained the local agency to buy tobacco for the French government. By the 1850s, Thomas's manufactured tobacco was well-known nationally as well as internationally, putting him at the front of the southern tobacco industry.<sup>13</sup>

Hundreds of tobacco merchants, agents, and traders patronized the major tobacco manufacturers of the Richmond vicinity; many tobacconists of the North, the Deep South, and the West were faithful customers of Virginia's antebellum tobacco industry.<sup>14</sup> Tobacco grown and processed in Virginia possessed a great demand overseas and was exported to such far-flung places as Great Britain, France, Germany, Italy, Holland, and Australia.<sup>15</sup>

The antebellum tobacco trade of the 1850s was

---

<sup>12</sup>Refer to Appendices 5-14 to see manufacturing schedules from the census of 1850 and 1860 in order to view the quantity and value of tobacco manufactured by tobacconists in Richmond, Lynchburg, and Danville during the antebellum period.

<sup>13</sup>Robert, *The Tobacco Kingdom*, 265-68.

<sup>14</sup>The names and home cities of many antebellum tobacconists are listed on page 115 of Appendix 2.

<sup>15</sup>The names and home cities of thirteen foreign tobacconists are listed on page 117 of Appendix 3.

influenced by events such as the California gold rush of the early 1850s and the secession of South Carolina on 20 December 1860.

A San Francisco tobacconist, J.H. Coghill, described the California tobacco trade in 1852 as "one of the strangest markets in the world."<sup>16</sup> Virginia tobacconist James Thomas, Jr. established a virtual monopoly on the California tobacco market in the early 1850s as a result of his "style of packing and putting it up in bright, new fancy-looking boxes."<sup>17</sup> The lure of gold attracted a steady influx of tobacco-consuming miners to California; "business was good, as every steamer brought its full complement of passengers, besides the thousands who arrived in sailing vessels"<sup>18</sup> on a regular basis. Chewing and smoking tobacco were prized by San Francisco's thousands of miners.

The shipments of Virginia tobacco to points west of the Mississippi River involved both rail and river transportation; in winter months ice, wind, and snow clogged the thoroughfare of both venues.<sup>19</sup> Frequently, tobacco was

---

<sup>16</sup>J.H. Coghill to James Thomas, Jr., San Francisco, 13 January 1852, James Thomas, Jr. Papers (hereafter cited as Thomas Papers), Special Collections, Perkins Library, Duke University.

<sup>17</sup>J.H. Coghill to James Thomas, Jr., San Francisco, 5 May 1859, *ibid.*

<sup>18</sup>*Ibid.*

<sup>19</sup>Heald, Bucknor and Co. to James Thomas, Jr., Philadelphia, 21 January 1852, *ibid.*

shipped by rail from Richmond to Baltimore to Pittsburgh; the westbound cargo was then moved through Cincinnati and Louisville upon the Ohio River to St. Louis. The article was transported south on the Mississippi from St. Louis through Memphis to the deep-water port of New Orleans, where it was loaded upon vessels for its final destination, San Francisco, California.<sup>20</sup> Tobacco-laden vessels then completed the long, arduous journey to California by sailing around Cape Horn of South America to San Francisco. Tobacco manufacturers were cautioned to "put up" their tobacco carefully in order to protect the valuable leaf from molding while it endured the long eight-month journey from Richmond to San Francisco.<sup>21</sup>

Virginia's 209 tobacco factories manufactured \$5,157,652 worth of tobacco from a total crop of 56,803,227 pounds in 1850, using the labor of 4,802 male and 477 female factory operatives. Seven tobacco factories in Richmond manufactured at least \$100,000 worth of tobacco in 1850. By 1860, 261 of the South's 409 tobacco factories were located in Virginia. Virginia's tobacco crop of 1860 was 123,968,312 pounds, with a labor force of 11,321 males and 2,300 females producing a manufactured tobacco product

---

<sup>20</sup>James Wilson to James Thomas, Jr., Baltimore, 13 May 1852, *ibid.*

<sup>21</sup>Charles M. Connolly to James Thomas, Jr., New York, 28 January 1852, *ibid.*

valued at \$12,236,683. Eighteen factories in Richmond produced at least \$100,000 worth of tobacco in 1860.<sup>22</sup>

Complaints as well as compliments were included in letters written by regional tobacconists to the planters and manufacturers of the Richmond area. Occasionally, Southern tobacco agents accused Virginia manufacturers of selling tobacco to them at prices higher than the rates charged to their Northern counterparts.<sup>23</sup> Some dealers even claimed that tobacco supposedly produced in Virginia was actually "counterfeit";<sup>24</sup> others simply complained that "the price was too high"<sup>25</sup> for their particular interests. On the other hand, many Northern, Southern, or Western tobacco dealers expressed delight: "We are glad to see this tobacco coming along, as we like to have some of it always on hand to supply all the calls there may be for it."<sup>26</sup>

By the mid-1850s, a myriad of marketing costs were saddled upon both producers and manufacturers alike. Profits from sales to domestic and foreign agents, dealers,

---

<sup>22</sup>U.S. Census, 1860; see Appendices 5-14.

<sup>23</sup>J.C. Glenn to James Thomas, Jr., New Orleans, 5 May 1852, Thomas Papers.

<sup>24</sup>Fears and Putnam to J.C. Glenn and Co., Jackson, Miss., 29 April 1852, *ibid.*

<sup>25</sup>Robert T. Dade to James Thomas, Jr., Mobile, 10 June 1854, *ibid.*

<sup>26</sup>Fisher and Co. to James Thomas, Jr., Boston, 16 December 1859, *ibid.*

and speculators were reduced as a result of freight, labor, storage, and cartage charges. The article had to be insured against fire and loss at sea; in addition, the manufacturer was expected to pay for the weighing, sampling, and advertising of his tobacco.<sup>27</sup> Commissions of anywhere from three to seven percent, tolls, and cooperage rounded off the expenses which were absorbed by the producer.<sup>28</sup>

Many changes in the Southern tobacco trade of the mid-1850s affected tobacconists. As early as 1854, "bright-yellow" tobacco became a highly desirable commodity both domestically and abroad; this variety of tobacco grew primarily in Pittsylvania County, Virginia and Caswell County, North Carolina. It was prized for its value as a smoking tobacco, and as a brightly colored wrapper for manufactured chewing tobacco.<sup>29</sup> The period also marked the opening of new foreign markets. As early as 1852, tobacco produced in Richmond found its way into the Australian ports of Adelaide, Melbourne, and Sydney via Richmond, Norfolk, Baltimore, Philadelphia, New York, Boston, and London. Australian firms such as McPherson and Company, Green,

---

<sup>27</sup>Charles M. Connolly to James Thomas, Jr., New York, 9 June 1860, *ibid.*

<sup>28</sup>Deane and Browne and Co. to W.B.B. Walker, Richmond, 17 May 1854, Madison and William J. Pendleton Papers (hereafter cited as Pendleton Papers), Special Collections, Perkins Library, Duke University, Durham, N.C.

<sup>29</sup>E.G. Collier to James Thomas, Jr., Danville, 30 June 1854, Thomas Papers.



Heath, and Allen, Mailler, Lord, and Quereau, and Fisher, Ricards and Company, all did business with James Thomas, Jr. of Richmond, and frequently employed intermediary agents based in New York City.<sup>30</sup> Other trends in the Southern antebellum tobacco industry included agricultural reform. The use of guano as a rich source of fertilizer for the prized plant increased.<sup>31</sup> Extra care was given to the drying of the leaf and tobacco marketing became more specialized.<sup>32</sup> Chewing and smoking tobacco were distinguished by whether they were bright or dark tobacco.<sup>33</sup>

In the late 1850s, many Richmond-based tobacconists were confident that the industry was "getting better every day."<sup>34</sup> Many traders saw the "market as being active, and with all good lump and leaf in dry order selling readily at full prices,"<sup>35</sup> with trade in Virginia tobacco exceptionally

---

<sup>30</sup>W.H. Wilkinson to James Thomas, Jr., Boston, 18 May 1852, *ibid.*

<sup>31</sup>J.H. Motley to W.B.B. Walker, Richmond, 2 May 1855, Pendleton Papers.

<sup>32</sup>Morton Armstead to W.B.B. Walker, Richmond, 28 March 1857, *ibid.*

<sup>33</sup>Buskirk and Dana to William T. Sutherlin, Portsmouth, Va., 15 July 1858, William T. Sutherlin Papers (hereafter cited as Sutherlin Papers), Special Collections, Perkins Library, Duke University, Durham, N.C.

<sup>34</sup>Bird L. Ferrell to William T. Sutherlin, Richmond, 11 October 1858, *ibid.*

<sup>35</sup>Morton Armstead to William B.B. Walker, Richmond, 23 February 1857, Thomas Papers.

brisk in Northern cities as well as in London and Liverpool.<sup>36</sup>

But problems did surface. Some northern suppliers often ran out. One New York tobacconist, J.L.S. Pendleton, lashed out at his Danville-based supplier: "What are you thinking about? We could have sold quite a lot today. Wake up and send us our order."<sup>37</sup> German firms such as D.H. Watjen Company, Boninger, Kramer and Company, and H.H. Meier were enthusiastic customers of Richmond tobacco.<sup>38</sup> Foreign firms, such as these Bremen concerns, frequently requested that original inspection samples of tobacco be forwarded from Virginia prior to the actual shipment in order that the article might be sold before its arrival.<sup>39</sup>

These indications of prosperity quietly vanished as sectional differences over the slavery question gained public attention. After the John Brown raid in 1859, serious concerns and fears troubled Northern and Southern businessmen alike. As the North and South became increasingly polarized and hostile to one another, many

---

<sup>36</sup>John K. Gilliat and Co. to James Thomas, Jr., London, 1 December 1859, *ibid.*

<sup>37</sup>J.L.S. Pendleton to J.M. Sutherlin, New York, 23 July 1859, Sutherlin Papers.

<sup>38</sup>D.H. Watjen to James Thomas, Jr., Bremen, 3 January 1860, Thomas Papers; H.H. Meier and Co. to James Thomas, Jr., Bremen, 2 January 1860, *ibid.*

<sup>39</sup>H.H. Meier and Co., to James Thomas, Jr., Bremen, 2 January 1860, *ibid.*

Northern and Southern tobaccoists aired their concerns in business correspondence. The prospects for the future seemed grim to some! In early 1860, Bucknor and McCammon of Philadelphia wrote to James Thomas, Jr. of Richmond on 2 January, "We appear to be naturally sliding into civil war. Still we hope the Great Orderer of events will prevent such a calamity, and keep us a great and united people."<sup>40</sup> Speculation ran rampant throughout the nation that the country might be divided by secession. A Boston tobaccoist wrote Thomas on 15 November 1860, and expressed his concern for the well-being of the tobacco trade and the nation,

The present position of affairs certainly warrants grave apprehensions as to the future. Though hundred here believe or propose to believe, that all this excitement will end in nothing, we must say we have (and many of our friends have) very serious fears as to the results. If the South does actually secede there is no telling the amount of injury that will result to all parts of the country. . . . While bringing our business matters under as "close sail" as possible and preparing for the future, we still hope the threatened storm may blow over resulting in no lasting damage to any part of the country. We had no intention when we began this letter of touching at all upon this subject—but your [those of James Thomas, Jr.] remarks naturally led us to speak of it and emboldened us to express our opinion. It is a matter that we rarely allow ourselves to introduce into a business letter.<sup>41</sup>

Tension and uncertainty gripped tobaccoists in regions north, south, and west of Richmond. On 1 December

---

<sup>40</sup>Bucknor and McCammon to James Thomas, Jr., Philadelphia, 2 January 1860, *ibid.*

<sup>41</sup>J.H. and S.G. Thayer to James Thomas, Jr., Boston, 15 November 1860, *ibid.*

1860, John Ward, a Louisville tobacconist and a steady customer of James Thomas, Jr., declared that "everything has come to a deadlock and what is to be the result of our trouble is known only to God."<sup>42</sup> Another western tobacco dealer, A.J. Seemullen of St. Louis, remarked to Thomas that "the political troubles at the South have put a sudden and unfortunate stop to business in our community, and for a month past there has been literally nothing doing here."<sup>43</sup> By mid-December of 1860, it became increasingly clear that South Carolina would indeed secede from the Union. The integrity of the Southern tobacco trade rested with the fortunes of the nation. J.B. Carroll, a tobacco dealer from Portland, Maine noted that "I hope things work out soon and the Union be saved but fear from present appearances South Carolina will secede and the government will use force to preserve the Union."<sup>44</sup> While visiting Cincinnati, Thomas C. Williams, a Richmond-based tobacconist and a confidante of James Thomas, Jr., observed that "an immense trade and prosperous times would have been had this fall and spring but for the political troubles which are heaped upon the

---

<sup>42</sup>John Ward to James Thomas, Jr., Louisville, 1 December 1860, *ibid.*

<sup>43</sup>A.J. Seemullen to James Thomas, Jr., St. Louis, 3 December 1860, *ibid.*

<sup>44</sup>J.B. Carroll to James Thomas, Jr., Portland, 3 December 1860, *ibid.*

Palmetto state out here."<sup>45</sup> Just days prior to the secession of South Carolina, Adams Frost, a prominent tobacco dealer in Charleston, predicted that "we expect to go out of the Union this week and then we can't say what will be the course of things."<sup>46</sup>

South Carolina's fateful decision to secede from the Union on 20 December 1860 disrupted the South's antebellum tobacco industry. A New Orleans firm complained that "business is still very much depressed and though we anticipate better sales, yet one can as yet see no end to the political and financial troubles."<sup>47</sup> Southern preoccupation with the political and economic turmoil of the times was reflected accurately by Charleston tobacconist Adams Frost, who wrote James Thomas, Jr., on 24 December 1860 that:

though we have seceded, we have not yet stopped communication altogether with the rest of the world. We send letters by mail as usual—whether this will be stopped in a day or two, and also the Customs House, depends upon a resolution of the Convention now in session, who are considering the matter.<sup>48</sup>

The arrival of 1861 did nothing to dispel the dark

---

<sup>45</sup>T.C. Williams to James Thomas, Jr., Cincinnati, 5 December 1860, *ibid.*

<sup>46</sup>Adams Frost to James Thomas, Jr., Charleston, 17 December 1860, *ibid.*

<sup>47</sup>Van Benthuyzen and Crofton to James Thomas, Jr., New Orleans, 25 December 1860, *ibid.*

<sup>48</sup>Adams Frost to James Thomas, Jr., Charleston, 24 December 1860, *ibid.*

foreboding which gripped Northern and Southern tobaccoists on the subjects of trade and war. J.A. and T.A. Patterson of New York expressed their fear that "we can not see through present political troubles. Mr. Seward thinks he can. We confess all looks dark to us."<sup>49</sup> Bucknor, McCammon, and Co. of Philadelphia feared much "on account of our political troubles and the disastrous effects on the industry and the trade of the country."<sup>50</sup> Fear was sometimes offset by the cautious hope that "an early settlement of existing political troubles and a restoration of confidence would restore an active and satisfactory tobacco business."<sup>51</sup> Stress and uncertainty characterized the American tobacco trade at this time. However, Northern firms were initially hesitant to focus hostility on southern manufacturers such as James Thomas, Jr. or William T. Sutherlin. Northern tobacco dealers clung to the hope that a swift conclusion to the country's political differences would once again restore order to the tobacco trade between northern and southern states.

When war became more imminent as a result of the secession of the remaining six states of the Deep South, the

---

<sup>49</sup>J.A. and T.A. Patterson to James Thomas, Jr., New York, 1 February 1861, *ibid.*

<sup>50</sup>Bucknor and McCammon to James Thomas, Jr., Philadelphia, 7 January 1861, *ibid.*

<sup>51</sup>William H. Price to James Thomas, Jr., New York, 7 January 1861, *ibid.*

Virginia tobacco market was "entirely at a stand."<sup>52</sup> Trade with Northern and foreign firms became paralyzed. A.J. Seemullen of St. Louis remarked that "no business has been done here worthy of note since Lincoln's election."<sup>53</sup> One Chicago concern simply severed its ties to Virginia manufacturers because "the present prospects before us make us feel disinclined to give any orders."<sup>54</sup> A dealer from Philadelphia lamented that "the spring tobacco trade will not be much more than one half that of last year."<sup>55</sup> Some tobacco speculators in the North believed that northern tobacco consumers might not buy tobacco manufactured in the South as a result of the secession of the states of the Deep South. Northern dealers refused to take the economic risk of importing southern tobacco until they were certain that it could be sold without loss to consumers. Some British and Australian tobacco interests suggested that Virginia heal up the sectional difficulties of the nation<sup>56</sup> so that mutually profitable trade could once again resume. Tobacco

---

<sup>52</sup>Robert Edwards to James Thomas, Jr., Liverpool, 15 February 1861, *ibid.*

<sup>53</sup>A.J. Seemullen to James Thomas, Jr., St. Louis, 22 February 1861, *ibid.*

<sup>54</sup>G. Frankenthal and Co. to James Thomas, Jr., 26 February 1861, *ibid.*

<sup>55</sup>Motzer and Boehm to James Thomas, Jr., Philadelphia, 1 April 1861, *ibid.*

<sup>56</sup>Greene, Heath, and Allen to James Thomas, Jr., San Francisco, 28 February 1861, *ibid.*

commerce upon the high seas was also threatened by the prospect of a Federal naval blockade upon the ports of the newly-created Confederate States of America. Tobacco manufacturers in the Richmond vicinity anticipated with apprehension a blockade and its influence upon British and Confederate ships.<sup>57</sup> With spring in full bloom in the South, the divided nation faced civil war. The destiny of the Confederacy, and its tobacco industry, lay in the hands of those forces which collided at Fort Sumter on 12 April 1861.

On the eve of the Civil War, tobacco in the South ranked second in the number of hands employed, third in value of product, and fourth in capital investment when compared to three other major Southern staples: lumber, grain, and cotton.<sup>58</sup> Southern tobacco planters enjoyed bumper crop yields in the years 1859 and 1860; in 1859, tobacco was second in economic importance only to cotton (\$21,000,000 to \$161,000,000).<sup>59</sup> In 1859, the entire continent of Europe imported 254,004,557 pounds of tobacco from around the world. Europe's two largest tobacco consumers, Great Britain and France, gained \$26,267,160 and \$36,000,000 respectively from duties placed upon tobacco

---

<sup>57</sup>J.T. Doswell to James Thomas, Jr., New Orleans, 27 February 1861, *ibid.*

<sup>58</sup>Robert, *The Tobacco Kingdom*, viii.

<sup>59</sup>U.S. Congress, House of Representatives, *Tobacco Trade*, 36th Cong., 1st sess., H.R. Report no. 667, 25 June 1860, 5.



imported from the United States in 1859 alone.<sup>60</sup> British duties placed on American tobacco were three shillings plus five percent per pound of leaf tobacco and nine shillings plus five percent per pound of manufactured tobacco. French duties fluctuated from \$1.86 to \$2.57 per kilogram of tobacco leaf in 1859.<sup>61</sup> In 1860, Virginia and North Carolina tobacco yields netted 123,968,312 pounds and 32,853,250 pounds, respectively, of the valuable leaf; the Commonwealth of Virginia grew sixteen million pounds of tobacco more than its nearest competitor, the Commonwealth of Kentucky.<sup>62</sup>

Before the war, Britain and France were the largest foreign consumers of Southern tobacco; in 1860, Great Britain alone consumed sixty million pounds of tobacco, with more than half of this amount being imported from the United States. Three-fourths to four-fifths of all tobacco consumed in France in 1860 also originated in the United States. Later, some speculators in the foreign tobacco trade predicted that the French Emperor Louis Napoleon would break the blockade in order to insure himself a reliable and continuous supply of morale-sustaining tobacco for his legion of 600,000 soldiers.<sup>63</sup>

---

<sup>60</sup>Ibid.

<sup>61</sup>Ibid.

<sup>62</sup>Arnold, *History of the Tobacco Trade*, 19.

<sup>63</sup>*New York Times*, 2 October 1861, editorial.

The importance of the Old Dominion to the Southern tobacco industry preceded its primacy as the political nucleus of the Confederacy, with Richmond, Petersburg, Danville, and Lynchburg being the most important Confederate tobacco production centers at the outbreak of war.<sup>64</sup>

Richmond "was clearly the tobacco manufacturing center of the nation, if not the world. No city, north, south or west equalled Richmond in the value of its product."<sup>65</sup>

Virginia tobacco (that which was grown in Virginia and North Carolina) was superior to any grown elsewhere in the country because of reasons ranging from the soil composition and climate of the region to superior manufacturing techniques. Tobacco of the highest quality was found only in the Upper South; the southern antebellum tobacco manufacturing kingdom was wholeheartedly absorbed by the Confederate States of America when the four states of the Upper South (Virginia, North Carolina, Tennessee, Arkansas) seceded from the Union in 1861.

---

<sup>64</sup>In 1860, there were 261 tobacco factories in Virginia; 158 were located in: Richmond (52), Lynchburg (47), Danville (39), and Petersburg (20). The remaining 103 tobacco mills were distributed through small towns and county districts. U.S. Census, 1860; also, see Appendices 12-14.

<sup>65</sup>Robert, *The Tobacco Kingdom*, 187.

## CHAPTER 2

### TOBACCO: A MISMANAGED CONFEDERATE ASSET

Tobacco was a primary economic commodity and an invaluable resource for the Confederate States of America. The regulation and taxation of southern tobacco was closely monitored by Confederate authorities, and provided the South with a dependable source of revenue. Tobacco was an agricultural article which figured heavily into the political decisions made by the Confederate government during the war.

Unfortunately, the Confederate domestic tobacco trade was at a virtual standstill in the South by December 1863.<sup>1</sup> War had a damaging effect upon the health of the Confederate tobacco industry. However, Confederate policy was inevitably far more detrimental than war to the economic and political potential that tobacco presented to the interests of the Confederate States of America. Confederate tobacco policy was inconsistent, contradictory, and misconstrued. Poorly designed tax policy and harmful legislation prevented tobacco from becoming the valuable diplomatic asset the

---

<sup>1</sup>J.H. Pemberton to James Thomas, Jr., Augusta, Georgia, 8 December 1863, Thomas Papers.

Confederacy had hoped it would be.

How did the Confederacy apply its tobacco policy to its economic and political interests during the war? What factors prevented tobacco from becoming the Confederate asset it should have been? Why was Confederate policy more destructive to the overall potential of tobacco than the chaos and disruption of war?

Five factors which contributed to the eventual paralysis of the Confederate tobacco trade during the war were:

- 1) the attack on Fort Sumter and the subsequent commercial chaos which resulted;
- 2) transportation and communication disruptions;
- 3) the capture or destruction of tobacco by Federal armies;
- 4) impressment of tobacco and capital by Confederate authorities;
- 5) inconsistent, inappropriate, and misconstrued policies of Confederate tobacco legislation which governed tobacco taxation and regulation.

The first four factors were byproducts of war; all had a damaging influence on the well-being of the Confederacy's tobacco industry. Ironically, it was the final factor, Confederate policy, which had the most devastating effect on the potential that tobacco presented to Confederate interests during the war.

The prosperity of Southern domestic tobacco commerce was shattered by the turmoil which swirled around Fort Sumter in April 1861; a Charleston-based tobacconist surveyed this controversy with the prophetic observation that "we are in constant expectation now of an attempt to reinforce Fort Sumter, and we are fully prepared to meet it. If it is attempted it will be a bloody fight and they can't whip us."<sup>2</sup> The usually brisk trade that Southern tobacconists enjoyed before hostilities began dropped off significantly after the Confederate attack on Fort Sumter on 12 April 1861. A Boston tobacconist lamented that "as to trade, it is dull and inactive necessarily as from the insanity of our national disturbances."<sup>3</sup> The overwhelming fear that resulted following the official commencement of war fueled doubts about the future of Confederate tobacco trade in New York<sup>4</sup> and Philadelphia.<sup>5</sup> Business between tobacconists north and south of the Richmond area suffered dramatically as the political schism widened between the United States and the Confederate States. "In the present

---

<sup>2</sup>Adams Frost to James Thomas, Jr., Charleston, 10 April 1861, *ibid.*

<sup>3</sup>Fisher and Co. to James Thomas, Jr., Boston, 9 April 1861, *ibid.*

<sup>4</sup>C.M. Connolly to James Thomas, Jr., New York, 10 April 1861, *ibid.*

<sup>5</sup>Bucknor, McCammon and Co. to James Thomas, Jr., Philadelphia, 16 April 1861, *ibid.*

warlike attitude of the country, there seems to be a general disinclination to do business."<sup>6</sup> Anxious times prevailed as the purveyors of Virginia tobacco sought to maintain their business contacts across the country; tobacconists soon realized that the future was gloomy and uncertain, at best.

As military hostilities intensified in 1861, tobacco dealers in Boston<sup>7</sup> and New York<sup>8</sup> negotiated feverishly with major Confederate tobacco manufacturers in order to stockpile large quantities of the increasingly valuable leaf. At the same time, some Confederate tobacco dealers feared their tobacco would be subjected to mob violence in Northern cities.<sup>9</sup> As war preparations became more intense both in the North and the South, Northern military provisions, including the use of naval blockade, slowly squeezed off the flow of tobacco to cities north of the Mason-Dixon line. Richmond-area tobacconists responded to this challenge by shipping their tobacco north upon vessels flying the flags of foreign nations.<sup>10</sup> Southern cities which

---

<sup>6</sup>J.T. Doswell to James Thomas, Jr., New Orleans, 20 April 1861, *ibid.*

<sup>7</sup>J.H. and S.G. Thayer to James Thomas, Jr., Boston, 24 April 1861, *ibid.*

<sup>8</sup>William H. Price to James Thomas, Jr., New York, 27 April 1861, *ibid.*

<sup>9</sup>Fisher and Co. to James Thomas, Jr., Boston, 27 April 1861, *ibid.*

<sup>10</sup>Brothers Boninger to James Thomas, Jr., Baltimore, 19 April 1861, *ibid.*

were blockaded by the Federal navy later saw their tobacco trade gradually dwindle to nearly nothing.<sup>11</sup>

The Confederate tobacco trade was hampered by interruptions in communication and transportation throughout the war. Mail delivery from Northern cities to all secessionist states was suspended at the commencement of hostilities between the North and South in April 1861.<sup>12</sup> Northern tobaccoists expressed their displeasure regarding communication difficulties to their Southern counterparts: "This hide-go-seek way of communicating with our good Virginia friends is too bad and shameful in the extreme."<sup>13</sup> Mail delivery between points within the Confederacy was inconsistent and unreliable at best. "Miscarriages in the mail were often caused by the new postmasters who were not acquainted fully with the distribution of the different mails that they received."<sup>14</sup> Mistakes were critical because the vast majority of Southern tobaccoists had relied upon the mail in communicating with business associates throughout the United States and abroad.

---

<sup>11</sup>Adams Frost and Co. to James Thomas, Jr., Charleston, 30 May 1861, *ibid.*

<sup>12</sup>Bucknor and McCammon and Co. to James Thomas, Jr., Philadelphia, 12 April 1861, *ibid.*

<sup>13</sup>Fisher and Co. to James Thomas, Jr., Boston, 11 June 1863, *ibid.*

<sup>14</sup>William H. Deans to James Thomas, Jr., Fairfax Court House, Va., 1 September 1861, *ibid.*

Tobacconists in the Richmond vicinity experienced a great deal of difficulty in transporting their tobacco to their customers living both in the North and the South. After a year of war, Lincoln's naval blockade effectively bottled up Southern ports; to complicate matters, ice and snow frequently impeded the transportation of tobacco upon inland waterways in the South during the winter months.

The Confederate government strictly controlled railroad transportation; tobacco shipments slowed due to the transfer of railroad cars to other lines in order to transport troops to front lines.<sup>15</sup> Also, Confederate rail lines were occasionally severed by enemy sabotage. In addition, tobacconists throughout the Confederacy always faced the possibility that their valuable cargo could be confiscated by the enemy in an unexpected raid upon a railroad or a warehouse.<sup>16</sup> Rail transport became increasingly difficult as tobacco had to be rerouted away from rail lines which were occupied or destroyed by the enemy.<sup>17</sup> Troop transportation impeded the commercial flow of

---

<sup>15</sup>R.F. Lester to James Thomas, Jr., Petersburg, 7 March 1862, *ibid.*

<sup>16</sup>R.F. Lester to James Thomas, Jr., Petersburg, 14 March 1862, *ibid.*

<sup>17</sup>J.H. Pemberton to James Thomas, Jr., Augusta, Georgia, 11 December 1861, *ibid.*



tobacco as well as other important commodities.<sup>18</sup> The evacuation of tobacco by boat was simply "out of the question"<sup>19</sup> while families, merchants, and officials all grappled for the limited supply of river craft that was commandeered for military use. Tobacco subject to confiscation by the enemy in North Carolina and Virginia was generally moved out by rail into the country or was transported to a major Southern city which was considered to be safe.<sup>20</sup> Some tobacconists panicked and sold their crop while it still had some value; others stowed it away with the hope that it would be valuable once the war was over or when normality and stability returned to the tobacco market.<sup>21</sup>

Richmond was at the nucleus of Virginia's rail network. The economic success of Richmond tobacco manufacturers such as James Thomas, Jr., William Barrett, James H. Grant, and Thomas C. Williams was closely linked to the dependability and integrity of Virginia's railroads. Tobacco was transported on each of Virginia's six major rail lines; the Richmond, Fredericksburg, and Potomac, the Orange

---

<sup>18</sup>David G. Potts to James Thomas, Jr., Petersburg, 21 March 1862, *ibid.*

<sup>19</sup>Thomas C. Williams to James Thomas, Jr., Richmond, 23 February 1865, *ibid.*

<sup>20</sup>*Ibid.*

<sup>21</sup>Charles B. Ball to William T. Sutherlin, Richmond, 3 March 1864, Sutherlin Papers.

and Alexandria, the Virginia Central, the Petersburg and Weldon, the Richmond and Danville, and the Southside were all used by Confederate tobacco manufacturers and dealers in the transportation of tobacco to market. Federal advances in the field of battle in 1861 and 1862 resulted in the loss of strategic stretches of Confederate railroad. The Federal incursion into the Fairfax and Alexandria area prior to the battle of First Manassas resulted in the loss of the northern extreme of the Richmond, Fredericksburg and Potomac line. Vital stretches of the Orange and Alexandria line were also lost to the Federals in early 1862, making tobacco shipping more difficult to western markets. McClellan's movement against Richmond in May of 1862 caused tobacconists such as Thomas and Williams to ship quantities of manufactured tobacco upon the Petersburg and Weldon railroad to Wilmington and points south, where it was safely out of the reach of the enemy.<sup>22</sup> The communication and transportation needs of the Confederate tobacco trade became increasingly more difficult to satisfy as Union armies gained control of vital southern cities such as Norfolk, Nashville, Memphis, and New Orleans.

When major cities came under direct Federal assault in late 1861 and early 1862, tobacco planters and manufacturers feared for the safety of their tobacco,

---

<sup>22</sup>Douglas Southall Freeman, *Lee's Lieutenants* (New York: Charles Scribner's Sons, 1944), 4:450-70, 477.

machinery, and property.<sup>23</sup> As Federal forces threatened Richmond in May of 1862, the Confederate government ordered that all tobacco in the city be placed in one central location so that it could be burned if necessary without destroying other property.<sup>24</sup> Such governmental orders generally affected Confederate tobacco men "like a clap of thunder in a clear sky."<sup>25</sup> William Barrett, a close friend of James Thomas, Jr., and a prominent tobacconist from Richmond, was unfazed by the threat of invasion:

I continue to indulge the hope that the Yankee vandals may not reach this place—should they be able to do so all my stock of my tobacco amounts to at least eighty thousand dollars will most likely fall into their hands, and which I would sooner reduce to ashes.<sup>26</sup>

In early 1862, tobacco planters, manufacturers, and traders shared the concerns and uncertainties that were predominant throughout the South. Tobacconists in Southern cities expressed their fears about the prospect of Federal confiscation in their business correspondence. In March and April of 1862, tobacco dealers in the manufacturing and

---

<sup>23</sup>H. Harrison and Son to James Thomas, Jr., Nashville, 10 July 1861, Thomas Papers.

<sup>24</sup>Thomas C. Williams to James Thomas, Jr., Richmond, 2 May 1862, *ibid.*

<sup>25</sup>Thomas C. Williams to James Thomas, Jr., Richmond, 1 May 1862, *ibid.*

<sup>26</sup>William Barrett to William J. Pendleton, Richmond, 1 March 1862, Pendleton Papers.

distribution centers of Richmond,<sup>27</sup> Wilmington,<sup>28</sup> Fredericksburg,<sup>29</sup> Memphis,<sup>30</sup> and Savannah<sup>31</sup> all expressed consternation at the stark prospect of being occupied by Federal forces, and losing their tobacco to confiscation. At this time, however, one Atlanta-based tobacconist, J.B. Robonable, predicted that his enterprise was safe from the effects of war: "This being in the heart of the South, we do not think the Yankees will ever penetrate so far!"<sup>32</sup>

This independent spirit was evident in a statement made by a tobacco manufacturer in Richmond at the time of the Seven Days Battle in June 1862: "I am not at all alarmed yet. I don't think the Yankees will ever get here."<sup>33</sup> Tobacconists throughout the Confederacy attempted to carry on with life and business despite the limitations that the war presented.

---

<sup>27</sup>Coleman Wortham to James Thomas, Jr., Richmond, 24 April 1862, Thomas Papers.

<sup>28</sup>R.F. Lester to James Thomas, Jr., Petersburg, 24 March 1862, *ibid.*

<sup>29</sup>Castleman and Co. to James Thomas, Jr., Fredericksburg, 8 March 1862, *ibid.*

<sup>30</sup>J.B. Sharpe and Co. to James Thomas, Jr., Memphis, 16 March 1862, *ibid.*

<sup>31</sup>Joseph Sichel to James Thomas, Jr., Savannah, 18 March 1862, *ibid.*

<sup>32</sup>J.B. Robonable to James Thomas, Jr., Atlanta, 16 April 1862, *ibid.*

<sup>33</sup>Coleman Wortham to James Thomas, Jr., Richmond, 7 May 1862, *ibid.*

The enemy did not present the only source of wartime danger and disruption to the Confederate tobacco industry. Southern tobacco planters and manufacturers were also subject to the Confederate policy of impressment. Field hands, factory workers, slaves, and even tobacconists themselves were subject to the Confederate draft for military obligations as Lee's depleted army inducted new members. Many men of draft age in the tobacco business complained that "a substitute cannot be had at any price, but, I will try and get one in the country somewhere."<sup>34</sup> While tobacco operations of Richmond factories were not exempt from conscription, field hands that were necessary for planting, plowing, and harvesting were difficult to find for hire due to the overall shortages of manpower in the South.<sup>35</sup> As Union lines crept closer to the heartland of the tobacco kingdom in 1863, slaves were more inclined to flee to the safety which "Yankee" lines provided.<sup>36</sup> Tobacconists could expect their factories to be subject to impressment by the Confederate government. Tobacco machinery and equipment, as well as the article itself, were vulnerable to

---

<sup>34</sup>H.W. Broadus to James Thomas, Jr., Richmond, 27 January 1863, *ibid.*

<sup>35</sup>H.W. Broadus to James Thomas, Jr., Richmond, 13 January 1863, *ibid.*

<sup>36</sup>Washington Duke to General James Cox, Durham, 27 October 1863, Washington Duke Papers, Special Collections, Perkins Library, Duke University, Durham, N.C.

impressment as the Confederacy struggled to sustain its war effort.<sup>37</sup>

At this time, necessity and practicality required the Confederate government to take unusual steps to secure quarters for captured Federal soldiers. The Confederate War Department took over a number of tobacco factories and warehouses in Richmond during the war. In 1861, Federal prisoners captured during the battle of First Manassas were housed in J.L. Liggon's and J.O. Harwood's factories in Richmond; later in 1861, General John H. Winder commandeered a tobacco warehouse owned by W.H. Gwaltney. In 1862, Confederate authorities converted the Scott and Pemberton warehouses into Confederate prisons bearing the same names. As more prisoners continued to stream into Richmond in 1863, more space was required to accommodate them all. The tobacco factories of R.H. Mayo, J.H. Grant, Turpin and Yarbrough, W.H. Ross, Crew and Pemberton, J.B. and A.L. Royster, and William Barrett were all impressed by General Winder. In late 1863, four thousand prisoners from Richmond were transferred to Danville where they were quartered in six tobacco factories.<sup>38</sup> The Confederacy also established three military hospitals in Lynchburg which were housed in

---

<sup>37</sup>Thomas C. Williams to James Thomas, Jr., Richmond, 29 April 1862, Thomas Papers.

<sup>38</sup>Henry Putney Beers, *Guide to the Archives of the Government of the Confederate States of America* (Washington, D.C.: Government Printing Office, 1968), 253-55.

tobacco warehouses.<sup>39</sup>

As war materiel became increasingly more difficult for the Confederate army to acquire, Confederate Secretary of War James A. Seddon issued a directive permitting necessary provisions for the army to be procured in exchange for Southern tobacco and cotton.<sup>40</sup> Seddon also empowered Confederate officials with the authority to impress one half of the tonnage of any Southern vessel carrying tobacco, cotton, sugar, molasses, or rice for the purpose of raising revenue or procuring war supplies.<sup>41</sup>

Confederate tobacco legislation had the most overwhelmingly negative influence on the southern tobacco industry. The contradictory and unfocused nature of the Confederacy's tobacco policy undermined the economic and political benefits that the article presented. Misconstrued tax legislation added to the economic burden that tobacco manufacturers were forced to bear within the Confederacy's wartime economy. Inappropriate regulations were also imposed upon the cultivation, transportation, manufacture, and sale of tobacco. These self-inflicted impositions

---

<sup>39</sup>Ibid., 194.

<sup>40</sup>Seddon to Lee, Richmond, 19 February 1864, *Official Records of the Union and Confederate Armies in the War of the Rebellion* (hereafter cited as ORA), U.S. War Department (Washington, D.C.: Government Printing Office, 1880-1901), 4th ser., III, 154.

<sup>41</sup>Declaration of Correspondence, Richmond, 5 March 1864, ORA, 4th ser., III, 187.

prevented the tobacco industry from becoming the asset the Confederacy had hoped it would be.

From 1860 to 1865, the annual per capita consumption of tobacco in the Confederate states was one and one-half pounds. This meant that the southern population (7,000,000) annually consumed about 10,500,000 pounds of tobacco.<sup>42</sup> The Confederate government believed that the taxes derived from this quantity of tobacco would be a significant source of war-sustaining revenue. Confederate tobacco policy, for better or worse, evolved during the war in an awkward and almost haphazard fashion.

Once the war started, Confederate officials were well aware of the potential leverage that tobacco could provide to foreign relations. Therefore, in March 1861, the Confederate Congress passed a resolution which "prohibited the exportation of tobacco overseas unless in exchange for munitions of war."<sup>43</sup> The prohibition of Southern tobacco commerce to Europe was designed to create a tobacco famine in Europe which would invariably compel countries such as Great Britain and France to attempt to break the Federal blockade. At this time, the Confederate House of

---

<sup>42</sup>Meyer Jacobstein, *The Tobacco Industry in the United States. Studies in History, Economic, and Public Law* (New York: Columbia University Press, 1907), no. 3, 26:44.

<sup>43</sup>Confederate States of America, *Journal of the Congress of the Confederate States of America, 1861-1865*, (Washington, D.C.: Government Printing Office, 1905), March 1862, 5:256-57.



Representatives passed a resolution designed to support the war effort. Tobacco was purchased by the government at one-fourth its value in treasury notes; the remainder of the article was paid for in Confederate bonds bearing eight percent interest over twenty years.<sup>44</sup>

In the early months of the war, speculation ran rampant in the Northern press in regard to the size and potential of the Confederacy's upcoming tobacco and cotton crops for 1861.<sup>45</sup> Federal economists were already clearly aware of the raw possibilities of Southern tobacco, cotton, sugar, and rice. Federal officials recognized that the Confederacy's most likely chance at gaining Europe's official political acceptance lay within the realm of foreign attraction and dependence upon Southern agricultural commodities. Officials within Jefferson Davis's administration realized the commercial and political importance of the tobacco crop; in August 1861, the Congress of the Confederate States of America passed an act which specifically forbade the shipment of Southern tobacco to European neutrals.<sup>46</sup>

The party with whom the Confederates were locked in

---

<sup>44</sup>Southern Historical Society, Southern Historical Society Papers (Richmond: William Byrd Publishing Co., 1923), 18 March 1862, no. 6, 44:114-15.

<sup>45</sup>*New York Times*, 12 July 1861.

<sup>46</sup>An Act of the Congress of the Confederate States of America, 2 August 1861, ORA, 4th ser., I, 529.

mortal combat, the Federals, was also interested in catering to the tobacco demands of Europe. The U.S. government placed a heavy tax on exported tobacco.<sup>47</sup> In 1861, the Confederate tobacco industry was enriched by \$19,278,621 as a result of tobacco revenue which was gained from tobacco sales to Europe. An additional \$10,000,000 was earned from tobacco sales to Northern concerns.<sup>48</sup> French and British entrepreneurs shared the concerns of Northern businessmen as to what crops of tobacco, cotton, and grain would be planted by Southerners in the spring of 1862.<sup>49</sup>

Confederate tobacco policy continued to develop in April 1862 with a senatorial decision to acquire 30,000 hogsheads of tobacco (30,000,000 pounds) from Confederate planters in exchange for bonds paying eight percent interest. This development resulted from an earlier act of the Confederate Congress, Statute 117 of 16 May 1861. This provision established what came to be known as the Produce Loan. In an effort to raise \$50,000,000, Secretary of the Treasury C.R. Memminger authorized agents to purchase tobacco and cotton in exchange for bonds paying eight

---

<sup>47</sup>United States. *The Statutes at Large, Treaties, and Proclamations of the United States of America* (Boston: Little, Brown, 1862), 37th Cong., 2nd sess., Ch. 119, 463.

<sup>48</sup>*DeBow's Magazine* 32 (1862): 121-22.

<sup>49</sup>*New York Times*, 4 March 1862.

percent interest.<sup>50</sup> Provisions were made to allow the Secretary of the Treasury to negotiate the sale of this tobacco to England or France with the hope that political recognition would result.<sup>51</sup>

Shortly thereafter, the Confederate Congress enacted a resolution which prohibited the transportation of tobacco to Confederate territory in possession of the enemy.<sup>52</sup> The Federal internal revenue act passed by Congress during the summer of 1862 inadvertently aided the interests of the Confederacy. A heavy tax was placed upon tobacco grown in the Union; this, coupled with importation regulations placed on the leaf by Britain and France, increased the desirability of Confederate tobacco, and its value as a political bargaining chip.<sup>53</sup> Strict laws and provisions were imposed by Confederate legislators upon tobacco cultivation, sale, and exportation as the importance of the leaf grew. The Confederate Senate approved a bill in October 1862 which permitted the impressment of tobacco by the Confederate treasury for the purpose of its exportation to foreign

---

<sup>50</sup>Beers, 115.

<sup>51</sup>*Journal of the Congress of the Confederate States of America*, 2:454-55.

<sup>52</sup>ORA, 4th ser., I, 1077.

<sup>53</sup>Frank L. Olmstead, "Tobacco Tax of 1863 to 1864," *Quarterly Journal of Economics* 5 (January 1891): 193-219.

nations "sympathetic" to the Confederate cause.<sup>54</sup> Tobacco was subject to an increasingly heavy tax as the war consumed the Confederacy's dwindling sources of revenue.<sup>55</sup>

Revenue generation continued to be of major interest to the Confederacy in 1863. The Confederate Congress implemented an eight percent tax on all tobacco profits as early as January 1863. As inflation ran rampant and tobacco sales bottomed out, tobacconists such as James Thomas, Jr. and Thomas C. Williams feared that their produce and machinery would be taken by the government for failure to pay taxes.<sup>56</sup> The Congress of the Confederate States of America added a two-and-one-half percent sales tax upon the tobacco industry in March 1863; this legislation added to the already heavy burdens felt by those in the Confederate tobacco trade.<sup>57</sup>

The Confederate House of Representatives passed another bill in early 1863 which provided for

an export duty on cotton and tobacco exported from the Confederate States to the ports or in the ships of any foreign country which has not recognized the independence of the Confederate States of America. A duty of forty cents per pound of raw tobacco shall

---

<sup>54</sup>*Journal of the Congress of the Confederate States of America*, 2:452-57.

<sup>55</sup>Arnold, 21.

<sup>56</sup>T.C. Williams to James Thomas, Jr., Danville, 20 January 1863, Thomas Papers.

<sup>57</sup>William D. Quisenberry to James Thomas, Jr., Richmond, 18 March 1863, *ibid.*

be levied to provide revenue for the defense of the Confederacy.<sup>58</sup>

One month later, the Virginia General Assembly repealed a bill "to prohibit the production of tobacco as of 12 March 1863."<sup>59</sup> This act had called for an increase in the production of grain, and forbade the cultivation of tobacco except in the case of domestic consumption. As provisions became more scarce for the Confederate armies in the field, the Congress of the Confederate States of America passed a joint resolution in April 1863 which banned the growth of tobacco and cotton altogether, and ordered the production of food crops in order to feed the hungry soldiers in gray.<sup>60</sup>

As economic and military developments worsened for the Confederacy in 1863, the Confederate House of Representatives relaxed its ban on tobacco cultivation and passed a resolution which simply recommended that tobacco planters not cultivate a crop during the year; this recommendation suggested that planters grow crops of consumable provisions instead to support the army and

---

<sup>58</sup>Marjorie L. Crandell, ed., *Confederate Imprints: A Checklist Based Primarily on the Collection of the Boston Atheneum* (Boston: Boston Atheneum, 1955), Confederate States of America, House of Representatives, 5 February 1863, no. 21 (hereafter cited as Crandell).

<sup>59</sup>Crandell, no. 2327.

<sup>60</sup>Joint Resolutions of the Congress of the Confederate States of America, 4 April 1863, ORA, 4th. ser., II, 468.

general populace.<sup>61</sup> As war-sustaining revenue became scarce, the Confederate House passed a tax on tobacco on 24 April 1863 which assessed the article on the basis of its grade and quality.<sup>62</sup> These provisions were not supplying the Confederacy with the revenue they were intended to generate, nor were they bringing Great Britain or France any closer to recognizing or assisting the Confederate States of America. Consequently, the Confederate Senate passed a resolution that gave the government the authority to sell and dispose of any tobacco in the possession of Confederate citizens. This tobacco was consequently sold overseas at a price no less than two hundred percent over the purchase price. The revenue from these tobacco sales was used to pay off outstanding treasury notes.<sup>63</sup>

As times became increasingly desperate, influential tobacconists such as James Thomas, Jr. of Richmond and William T. Sutherlin of Danville used their social and commercial stature as a means of lobbying for their financial interests in the Confederate House and Senate in Richmond. Men of their wealth, power, and prestige were advised by Congressmen such as Jabez Lamar Monroe Curry:

---

<sup>61</sup>Southern Historical Society Papers, no. 10, vol. 48, 1941, 191-92.

<sup>62</sup>Ibid., no. 12, vol. 50, 1953, 299.

<sup>63</sup>*Journal of the Congress of the Confederate States of America*, 4:76-77.

"In any matter connected with the government, of course, you have but to intimate your wishes. Your acquaintance with the chief officers however will give you, at all times, access to them."<sup>64</sup> Lobbying by successful and influential tobacconists like Thomas or Sutherlin nevertheless failed largely because legislators from the cotton-producing states of the Deep South fought hard to preserve the economic and political integrity of their interests. Most tobacco legislation was designed and supported by Confederate Congressmen from the Deep South.

While the Federal blockade continued to squeeze the flow of Confederate tobacco and cotton to Europe, Great Britain and France began to look to the United States for a reliable supply of a quality grade of tobacco. The lack of Confederate tobacco upset the trade balance of the tobacco market in Europe. Thus, the regulation and taxation of Northern tobacco became a primary concern of the United States Congress until the end of the war.<sup>65</sup> This fact did not go unnoticed by the Federal Commissioner of the United States Department of Agriculture, Isaac Newton. In a document addressed to the U.S. Senate in January 1864, Newton expressed his concern that a tax on tobacco grown in

---

<sup>64</sup>Jabez Lamar Monroe Curry to James Thomas, Jr., Richmond, 7 February 1863, Thomas Papers.

<sup>65</sup>United States. *The Statutes at Large*, 38th Cong., 1st sess., 1864, Ch. 171, 203, 262, 475-77.

the United States would be detrimental to Northern farmers, and, in the long run, would contribute to the marketability of Confederate tobacco.<sup>66</sup> Almost simultaneously, the Congress of the Confederate States of America approved an act which was designed to "regulate the collection of the tax in kind to tobacco, and to amend the act entitled 'An act to levy taxes for the common defense and carry on the Government of the Confederate States of America.'" <sup>67</sup>

In the early spring of 1864, Confederate Adjutant and Inspector General Samuel Cooper officially established and implemented a monthly ration of tobacco to every enlisted man in the Confederate army (this ration was three-quarters of a pound per month).<sup>68</sup> This act was modified shortly thereafter when the Confederate Senate passed two resolutions which were designed to bring some morale-boosting comfort to the Confederate soldier. The standard monthly eight-dollar bounty (wage) of the common foot soldier was complemented by a three-quarter-pound ration of tobacco valued at three dollars.<sup>69</sup> Soldiers had the option

---

<sup>66</sup>U.S. Congress, Senate, *Letter of the Commissioner of Agriculture*, 38th Cong., 1st sess., Misc. Doc. 13, 1864.

<sup>67</sup>An Act of the Congress of the Confederate States of America, 30 January 1864, ORA, 4th ser., III, 63-64.

<sup>68</sup>An Act of the Congress of the Confederate States of America, 17 February 1864, ORA, 4th ser., III, 299.

<sup>69</sup>Southern Historical Society Papers, no. 13, 51: 161, 1929.



of electing smoking or chewing tobacco; the soldier could also request the financial equivalent of his ration instead of receiving tobacco.<sup>70</sup>

At this point in the war, some opportunistic Southerners capitalized on the tobacco and cotton famine in Europe, and engaged in the smuggling of these valuable commodities. The exportation of tobacco through Mexico to either of the major European neutrals was strictly regulated by the Confederate Treasury and War Departments,<sup>71</sup> and provided the Confederate States of America with a small source of revenue. Orders were issued to General Robert E. Lee to be vigilant for the illegal transportation of tobacco whenever feasible.<sup>72</sup> As a result, a surprisingly large amount of Lee's time off the field of battle was spent enforcing the regulations of the Confederate Department of the Treasury.

In 1864, large chunks of Confederate territory fell into the hands of the enemy. The Confederate Department of War issued orders which prohibited the exportation of tobacco into any part of the Confederacy occupied by the

---

<sup>70</sup>Ibid., no. 14, 52:345-46, 1930.

<sup>71</sup>Correspondence of the Confederate States of America, Richmond, 11 March 1864, ORA, 4th ser., III, 206-7, 239-40.

<sup>72</sup>Seddon to Lee, Richmond, 23 March 1864, ORA, 4th ser., III, 245-46.

enemy.<sup>73</sup> This provision was designed to deprive the enemy of tobacco.

General Lee offered insightful suggestions as to the prevention of tobacco smuggling by private entrepreneurs. The general provided reasonable guidelines which outlined the regulation and profit-sharing of revenue resulting from the shipment of tobacco overseas.<sup>74</sup> As the noose tightened around the neck of the Confederacy, the Confederate House of Representatives "imposed a duty on tobacco and an additional duty on cotton which was exported from the Confederate States of America"<sup>75</sup> in an effort to raise desperately needed revenue.

During the winter of 1864-1865, the Congress of the Confederate States of America ordered the destruction of any quantity of tobacco or cotton which could possibly aid the enemy in its prosecution of the war.<sup>76</sup> An editorial published in *DeBow's Magazine* at this time demonstrated the value which tobacco was considered to have to the Confederate war effort:

Congress has acted wisely in requiring all the

---

<sup>73</sup>General Orders, no. 23, Richmond, 29 March 1864, ORA, 1st ser., LI, pt. 2, 842-43.

<sup>74</sup>Lee to Noland, Headquarters of the Army of Northern Virginia, 12 April 1864, ORA, 4th ser., III, 285-87.

<sup>75</sup>Crandell, no. 477.

<sup>76</sup>General Orders, no. 4, Richmond, 8 February 1865, ORA, 4th ser., III, 1066.

cotton and tobacco in the Confederacy to be burned when in danger of falling into the hands of the enemy. This is legitimate warfare, and must tell upon this contest. By destroying arms and provisions and towns we gain little or nothing. These they have without stint. Cotton and tobacco are specie—gold and silver. We had as well surrender the coffers of our banks into their hands as these. They are more than specie. They are the levers with which the enemy can move courts and cabinets at their will. If the great staples of the South are to become the instruments of our subjugation, let us have no more of them.<sup>77</sup>

Southern military defeats in mid- to late 1863 and early 1864 sealed the fate of the Confederacy, as well as its domestic tobacco trade. Exorbitant tax and insurance rates caused tobacco prices to skyrocket. Major seaports and railways remained blockaded and occupied by the enemy. Federal armies occupied or were laying siege to the principal commercial and population centers of the South. American specie became increasingly scarce as Confederate currency became nearly worthless. The domestic tobacco trade of the Confederacy was at a virtual standstill by December 1863,<sup>78</sup> where it remained until the end of the war. Tobacco was an agricultural commodity which held great promise in terms of the fortunes of Confederate domestic policy. Its failure foreshadowed that of Confederate foreign trade and foreign diplomacy.

---

<sup>77</sup>*DeBow's Magazine* 33 (1862): 91.

<sup>78</sup>J.H. Pemberton to James Thomas, Jr., Augusta, Georgia, 8 December 1863, Thomas Papers.

CHAPTER 3  
CONFEDERATE TOBACCO AND INTERNATIONAL TRADE

The thriving prosperity of the southern foreign tobacco trade was shattered by the American Civil War. The Federal naval blockade which enveloped the Confederate coast from the Potomac to the Rio Grande virtually ended the Confederacy's international tobacco trade by the end of 1863. Abraham Lincoln issued his proclamation of a naval blockade of ports in the Confederate States of America on 19 and 27 April 1861. The Union was actually capable of effectively enforcing the provisions of the presidential proclamation (at least in the capes of Virginia) on 30 April 1861.<sup>1</sup>

Although some Confederate tobacco did break through the blockade via foreign vessels and Confederate blockade runners, the flow of tobacco from southern ports to European customers was slowly cut off. As a result, European clients began to patronize other countries for a steady and reliable source of tobacco, among them being the United States of America. By 1863, the Confederate international tobacco

---

<sup>1</sup>Mountague Bernard, *A Historical Account of the Neutrality of Great Britain During the American Civil War* (New York: Lennox Hall, 1971), 226-27, 234.

trade was essentially neutralized as a direct result of the effects of the naval blockade and competition from other tobacco-producing nations.

Despite the obstacles and privations that the war and blockade presented, Confederate tobacconists carried on a surprisingly successful tobacco trade with their counterparts in England, France, Holland, Germany, and Australia. Tobacco manufacturers of the Richmond vicinity used ingenuity, guile, and sound business acumen to counteract the suffocating effect of the Federal blockade.

When hostilities officially began in April 1861, Confederate tobacconists across the broad expanse of the North and South rushed off communications and orders to their manufacturers and suppliers in Richmond. Southern tobacco dealers in port cities from Charleston to New Orleans were all anxious to maintain their lucrative trade with European tobacco houses.<sup>2</sup> And, before the Federal naval blockade was firmly in place, Northern tobacconists in such places as Boston, New York, Philadelphia, Baltimore, and San Francisco feverishly attempted to secure final shipments of tobacco before being forbidden to do so by the

---

<sup>2</sup>Among the Confederate tobacco dealers active in this capacity in mid-April of 1861 were: Adams Frost (Charleston), Van Benthuyzen and Crofton (New Orleans), and J.T. Doswell (New Orleans).

Federal government.<sup>3</sup> As requests poured into the offices of major manufacturers in Richmond from points across the country, concerns mounted that a reliable and steady supply of Virginia tobacco would soon be next to impossible to obtain. Tobacco that was planted, cultivated, harvested, cured, and packaged over the course of one calendar year was not ready for market until January of the following year. It was roughly a thirteen-month process. Tobacco manufacturers such as James Thomas, Jr. were extremely anxious to export as much of the leaf as possible in April and May 1861 due to the restricting factors of time and blockade. Conversely, tobacco dealers and speculators in New York, Baltimore, Philadelphia, and San Francisco were interested in acquiring as much Virginia tobacco as possible both for northern consumption and for export to foreign markets. From 18 April 1861 to 1 May 1861 alone, James Thomas, Jr. received shipment orders from the following northern tobacco merchants: Ludlam and Heineken, Fisher, Ricards and Co., the Brothers Boninger, Mailler, Lord, and Quereau, Greene, Heath, and Allen, and Mercer, Antello and Co. Northern dealers annually bought \$10,000,000 worth of

---

<sup>3</sup>Among those Northern tobacco dealers struggling to maintain their European trade at the outbreak of war in mid-1861 were: J.H. and S.E. Thayer (Boston), Ludlam and Heineken (New York), Fisher, Ricards and Co. (New York), Mercer and Antello and Co. (Philadelphia), the Brothers Boninger (Baltimore), and Greene, Heath, and Allen (San Francisco).

tobacco from southern manufacturers prior to the war.<sup>4</sup>

Leading Confederate tobacconists such as James Thomas, Jr. of Richmond were more than happy to ship as much tobacco overseas as possible upon vessels flying the flag of either foreign countries, the United States, or the Confederacy. Thomas, mentioned earlier as the most prominent tobacco manufacturer in the antebellum South, continued his tobacco trade with European customers in earnest during the war by shipping massive quantities of the leaf, prior to the actual enforcement of the blockade, to London's oldest and most respected tobacco firm, the house of John K. Gilliat.<sup>5</sup>

Several colleagues of James Thomas, Jr., privately questioned the tobacco magnate about his perceived excessive caution and anxiety as to the possible outcome of the war, as well as the future prosperity of trade with Europe. Thomas, in his astute foresight, gave John K. Gilliat power of attorney over all of his tobacco business dealings with firms in Europe and Australia. In doing so, Thomas was virtually guaranteed of maintaining at least a portion of his vast wealth of tobacco and profits.<sup>6</sup> And, before the workings of the blockade were in place, provisions were made

---

<sup>4</sup>*DeBow's Magazine* 32 (1862): 121-22.

<sup>5</sup>John K. Gilliat and Co. to James Thomas, Jr., London, 29 May 1861, Thomas Papers.

<sup>6</sup>*Ibid.*

by Thomas as well as other tobacconists in the Confederacy, to ship as much tobacco from Southern ports as possible to eager customers in Europe and Australia. This spirit was evident in a letter written by Ludlam and Heineken and Co. of New York to Thomas after the outbreak of war:

We write a hasty line to say that the news from Washington city and the South—the certainty of a blockade of all the Southern ports—the heavy orders known to be here for tobacco for European markets—the fact that speculators have entered in the market and are operating very extensively—all these facts conspire to make us believe that there never has been a more favorable chance for speculators and shippers of tobacco and we therefore beg leave to advise large shipments from you.<sup>7</sup>

Shortly after receiving this advisory note, Thomas received a message from Fisher, Ricards and Co. of Melbourne, Australia; this firm had American officers based both in San Francisco and New York. "We have since the great convulsion . . . suggested your making some shipments to Australia; this we could confidently advise at this time as general shipments have to a great extent ceased."<sup>8</sup> By the end of April 1861, Thomas was shipping tobacco to Rotterdam and Amsterdam through Baltimore upon vessels of foreign countries.<sup>9</sup> Tobacco was also being sent from

---

<sup>7</sup>Ludlam and Heineken and Co. to James Thomas, Jr., New York, 18 April 1861, *ibid.*

<sup>8</sup>Fisher, Ricards and Co. to James Thomas, Jr., New York, 21 April 1861, *ibid.*

<sup>9</sup>Brothers Boninger to James Thomas, Jr., Baltimore, 27 April 1861, *ibid.*



Richmond to the New York office of the Australian tobacco house of Mailler, Lord, and Quereau. This tobacco was subsequently shipped to Lord's home office in Melbourne.<sup>10</sup> Another Australian firm, Greene, Heath, and Allen, wrote Thomas and plaintively stated that "we cannot think of being without your tobacco."<sup>11</sup> As emotions heightened in May 1861, many tobacconists in the Confederacy feared that their valuable tobacco shipments might not be safe in Northern ports as their cargo awaited transport to Europe and beyond.<sup>12</sup> On 3 May, a Baltimore merchant assuaged one Richmond manufacturer's fears by stating that "as to the safety of your property here you may feel perfectly at ease and that also we will be able to ship them safely out of this port (Baltimore), . . . now since your ports are blockaded."<sup>13</sup> Prior to the complete enforcement of the Federal blockade, Baltimore was used regularly as an outlet for southern tobacco which was shipped to Europe and Australia. Jacob Heald and Company and the Brothers Boninger were two Baltimore firms who handled the

---

<sup>10</sup>Mailler, Lord, and Quereau to James Thomas, Jr., New York, 27 April 1861, *ibid.*

<sup>11</sup>Greene, Heath, and Allen to James Thomas, Jr., San Francisco, 30 April 1861, *ibid.*

<sup>12</sup>Mercer and Antello and Co. to James Thomas, Jr., Philadelphia, 1 May 1861, *ibid.*

<sup>13</sup>Brothers Boninger to James Thomas, Jr., Baltimore, 3 May 1861, *ibid.*

exportation of tobacco overseas for James Thomas, Jr.. Tobacco which originated in Richmond was generally shipped out of Baltimore upon ships of foreign registry. This outlet faded in use as it became increasingly difficult to ship tobacco from Richmond to Baltimore. Once the Federal naval blockade was in place, Baltimore ceased to be an outlet for outgoing Confederate tobacco.

Confederate tobacco manufacturers tried desperately to maintain their trade with foreign markets for obvious reasons. In 1859, France and her colonies imported 43,661,635 pounds of American tobacco; the treasury of France gained \$36,000,000 in revenue which resulted from importation duties placed on this tobacco.<sup>14</sup> British consumption of American tobacco for 1858, 1859, and 1860 was, respectively, 33,739,133 pounds, 34,459,864 pounds, and 35,306,846 pounds. In 1860, the British duty on tobacco imported from the U.S. was \$.75 per pound of leaf tobacco and \$2.25 per pound of manufactured tobacco.<sup>15</sup> In 1860, Britain continued to levy a heavy duty on imported American tobacco. During the year it gained £35,000,000—one eighth of the entire revenue brought in by Britain in 1860. France (not including its colonies) gained \$25,000,000 from duties placed on American tobacco in 1860, about one-half of all it

---

<sup>14</sup>*DeBow's Magazine* 31 (1861): 334.

<sup>15</sup>*Ibid.*, 335.

obtained from duties annually.<sup>16</sup> The tobacco trade constituted the South's second-most valuable market in 1860; only the economic value of cotton (\$161,000,000) exceeded that of tobacco (\$14,612,442).<sup>17</sup>

The full implementation of the Federal blockade in May 1861 had a constrictive effect upon the ability of Confederate tobacconists to ship their valuable cargo overseas to Europe and Australia. A Rotterdam tobacco firm expressed its concern regarding the disruption of the tobacco trade due to the naval blockade by saying that "it is very difficult to form a correct opinion of the future of the article, everything depending upon turns things may take on your side."<sup>18</sup> As the Federals tightened their grip upon Confederate ports, tobacconists in Australia complained about the uncertainty and unreliability of written messages from Melbourne, Sydney, and Adelaide reaching the Southern capital in Richmond.<sup>19</sup> The "political troubles" which plagued tobacco interests in the Confederacy were described by H.H. Meier and Co., a German tobacco house: "It is difficult to say what the course will be, our market is

---

<sup>16</sup>Ibid., 204-5.

<sup>17</sup>U.S. Census, 1860. See also Appendix 13 on page 130.

<sup>18</sup>Mees and Moens to James Thomas, Jr., Rotterdam, 15 May 1861, Thomas Papers.

<sup>19</sup>Lord and Co. to James Thomas, Jr., Melbourne, 24 May 1861, *ibid.*

going to take in reference to prices of tobacco . . ."<sup>20</sup>.

The prospects of Virginia tobaccoists were also lessened by the influx of tobacco from Kentucky, Tennessee, Missouri, and Ohio into European markets. The tobacco from these territories within or near Union strongholds was quickly supplanting Virginia tobacco which was more expensive and more difficult to acquire.<sup>21</sup>

British tobacco houses such as Robert Edwards of Liverpool and John K. Gilliat of London expressed their lament at the scarcity of Virginia tobacco reaching their ports: "For the present we see that our business operations with your country may become very limited and that this season we are likely to get little or no tobacco."<sup>22</sup> In late May 1861, the house of Gilliat observed that "all shipments now can only be made at great risk . . . as we can hold out no hope of any interference on the part of the British government which has declared its intentions of maintaining a strict neutrality."<sup>23</sup>

Following the full implementation of the Federal blockade on 30 April 1861, "all vessels passing the Capes of

---

<sup>20</sup>H.H. Meier and Co. to James Thomas, Jr., Bremen, 15 May 1861, *ibid.*

<sup>21</sup>*Ibid.*

<sup>22</sup>John K. Gilliat and Co. to James Thomas, Jr., London, 29 May 1861, Thomas Papers.

<sup>23</sup>*Ibid.*

Virginia will be warned off, and those passing Fortress Monroe will be required to anchor under the guns of the fort, and subject themselves to an examination."<sup>24</sup> Vessels encountering the blockade the first time within fifteen days of the blockade's establishment (before 16 May) were warned and allowed to proceed. Vessels that were stopped by the blockade squadron after that date were subject to confiscation as a prize of war.<sup>25</sup>

Tobacco which was actually seized by the blockading squadron en route from Virginia to the British Isles caused major concerns to parties on both sides of the ocean. Confederate manufacturers lost their valuable tobacco to Union authorities as a prize of war; European speculators lost money and opportunity in a major way, also. Two vessels laden with Confederate tobacco and bound for Britain fell prey to the blockade at this time. On 20 May the British barque *Hiawatha* was seized in Hampton Roads; shortly thereafter, on 21 May, the British schooner *Tropic Wind* was also seized as a prize of war. They carried 445 tons and 63 tons respectively.<sup>26</sup>

In the *Hiawatha* incident, Robert Edwards, a British tobacconist placed a claim for the seized contraband in a

---

<sup>24</sup>Bernard, 231.

<sup>25</sup>Ibid., 235-36.

<sup>26</sup>Bernard, 233.

Federal court of admiralty. His tobacco house in Liverpool complained to James Thomas, Jr., in Richmond that:

I have taken legal advice about obtaining your tobacco, and find I cannot do so without rendering myself liable to an action for perjury in case it goes to trial, as I must swear before the U.S. consul as well as a magistrate that the tobacco is bonafide my own property.<sup>27</sup>

The seizure of Confederate tobacco and the ensuing legal and financial repercussions did little to discourage the blockade-running spirit of Southern tobaccoists and their British customers. As the magnitude of war escalated and the efficiency of the blockade improved, less tobacco reached the shores of Britain during the summer of 1861.<sup>28</sup> A prominent London tobacco house, G.F. Davis and Sons, captured the feeling of uncertainty which pervaded the Confederate tobacco trade by stating:

In no trade have the effects of the American Civil War upon the English market been more clearly defined than in the tobacco trade. Since the commencement of the conflict between the northern and southern states, the trade of this country in tobacco has undergone a complete revolution. The quantity of American growth of that article now used in the United Kingdom is not much more than one-half what it was two years ago, and it is gradually decreasing; indeed it is extremely problematical if the American consumption in this country will ever reach its former amount, for the growth of other countries is now so freely used that it threatens to

---

<sup>27</sup>Robert Edwards to James Thomas, Jr., Liverpool, 21 June 1861, Thomas Papers.

<sup>28</sup>C.R. Somervail to James Thomas, Jr., London, 21 June 1861, *ibid.*

supersede the American growth altogether.<sup>29</sup>

Less than 17,000,000 pounds of Confederate tobacco reached Great Britain in 1861, compared to nearly 35,000,000 pounds in 1860.

Prices for the scarce Virginia article continued to rise in Great Britain, and upon the European continent as well. At this time, in a letter to James Thomas, Jr., Robert Edwards quoted the price of good Virginia tobacco to be between £9 and £12 per five hundred pounds.<sup>30</sup> A Bremen tobacco firm encouraged a Confederate house to continue to ship tobacco through the blockade, despite the enormous risks, "Should things with you continue as heretofore, we may of course see prices with us advance further. On the other hand, it needs but the rumour of a reopening of Southern ports to cause a total stand in sales at the present value."<sup>31</sup> One clever ploy used by Confederate blockade runners carrying tobacco was to employ vessels not only flying the British flag, but also, using ships which were registered to legitimate British companies.<sup>32</sup> Tobacco

---

<sup>29</sup>U.S. Congress, Senate, Letter of the Commissioner of Agriculture, 38th Cong., 1st sess., 1864, 13.

<sup>30</sup>John K. Gilliat to James Thomas, Jr., Liverpool, 7 September 1861, Thomas Papers.

<sup>31</sup>D.H. Watjen to James Thomas, Jr., Bremen, 31 August 1861, *ibid.*

<sup>32</sup>Dudley Nichols to James Thomas, Jr., Savannah, 21 October 1861, *ibid.*

which was manufactured in Richmond would frequently be shipped south by rail upon the Petersburg and Weldon or the Richmond and Danville railroads. This tobacco eventually made its way to Confederate blockade runners in Wilmington, Savannah, or Charleston. Confederate tobacco runners were always on the lookout for a daring captain who had "never been spoken to at sea since running the blockade while escaping Old Abe's clutches."<sup>33</sup>

In the fall of 1861, Confederate tobacconists continued to dare the blockade in an attempt to keep their contacts with the European tobacco market alive. Australian firms such as Fisher, Ricards and Company and Francis McPherson continued to import Confederate tobacco into the port of Melbourne. Financial arrangements between Australian firms and Virginia manufacturers were generally mediated by the London house of Gilliat.<sup>34</sup> Money belonging to Confederate manufacturers remained in the protective hands of British banks such as the First Exchange of London and the Chartered Bank of Australia.<sup>35</sup> By the year's end, however, tobacco of high quality could no longer be shipped out of New Orleans upon fast steamers to Havana. Prior to

---

<sup>33</sup>Ibid.

<sup>34</sup>J.K. Gilliat and Co. to James Thomas, Jr., London, 19 September 1861, Thomas Papers.

<sup>35</sup>Lord and Co. to James Thomas, Jr., Melbourne, 26 September 1861, *ibid.*



the fall of New Orleans, quantities of coffee and other provisions could be acquired for importation into the luxury-starved Confederacy.

As the war entered into its second year, Confederate tobacconists continued to export their valuable tobacco crop through the Federal gauntlet. Southern tobacco continued to reach customers in London, Liverpool, Amsterdam, Rotterdam, Bremen, Antwerp, Melbourne, and Sydney. Confederate tobacconists gained the patronage of a new European customer in January 1862. The Italian Regie, the official tobacco company for that country, entered into the Virginia tobacco market through a Confederate intermediary, D.H. Watjen and Company of Bremen, Germany.<sup>36</sup>

Although statistical data is limited, documentation from the United States 38th Congress demonstrates that the Federal government exported an extraordinary amount of tobacco to Europe at the beginning of the war. Great Britain imported 2,847,130 pounds of tobacco from northern states in 1861 alone. The North exported 152,562,200 pounds and 144,303,400 pounds in 1861-62 and 1862-63 respectively. This tobacco translated into an economic bonanza for the Federal government: \$13,394,086 for 1861-62 and \$23,149,777

---

<sup>36</sup>D.H. Watjen and Co. to James Thomas, Jr., Bremen, 30 January 1862, *ibid.*

for 1862-63.<sup>37</sup> Overall tobacco production for the United States in 1862 and 1863 was 208,000,000 pounds and 258,000,000 pounds respectively.<sup>38</sup>

The Italian Regie operated much in the same way as its monopolistic counterpart in France; although smaller in scale the Italian Regie mirrored the French Regie in terms of purpose, function, and value. Each served as the tobacco monopoly for their respective governments. The French Regie was "inextricably interwoven within France's revenue system and closely intertwined in important agricultural interests."<sup>39</sup> The French Regie generated revenue for the nation's treasury by placing duties on all imported tobacco. "These taxes were not restrictions but were revenue measures, the most important in France except for those on salt."<sup>40</sup>

In 1830, the French Regie contributed about six percent of the revenues received by the French government. Tobacco factories employed some 16,000 laborers in ten factories and twenty entrepôts. The flow of tobacco through these factories and through 350 wholesale and 30,000 retail outlets was supervised by some 13,000 officials. The capitalization of the French regie at this time was estimated at 200,000,000 francs and

---

<sup>37</sup>U.S. Congress, Senate, 38th Cong., 1st Sess., Misc. Doc. No. 13, 21 January 1864.

<sup>38</sup>Ibid.

<sup>39</sup>Duncan, 293.

<sup>40</sup>Ibid.

its annual profits at nearly 450%.<sup>41</sup>

In 1860, the French Regie employed over 30,000 people who were involved in tobacco manufacture, sales, and administration.<sup>42</sup> The tobacco monopoly of France "was at once a foundation sill of French fiscal policy and a bar to the development of a free market for American (and later, Confederate) tobacco in France."<sup>43</sup>

The British government had a stringent policy in regard to tobacco importation. Once it entered the country, all imported raw and manufactured tobacco had to be transported to official warehouses of the Customs Commission. The imported tobacco was weighed, prized, and then assessed to determine the duties (importation taxes) which were to be placed on the article. The penalty for failing to follow this procedure resulted in a forfeiture of the tobacco and a fine of twenty pounds sterling. These heavy restrictions discouraged the smuggling of tobacco into Britain, and guaranteed the Crown a steady flow of revenue.<sup>44</sup> The British carefully documented all proceedings which arose as a result of the seizure of illegally imported tobacco. Regular reports recorded the nature of the judicial

---

<sup>41</sup>Ibid., 283.

<sup>42</sup>*DeBow's Magazine* 31 (1861): 334.

<sup>43</sup>Duncan, 300.

<sup>44</sup>Edgar L. Erickson, ed., *British Sessions Papers* (New York: Readex Microprint, 1966), 16 February 1863, 187-93.

proceedings which were involved in each case, the fine or sentence which was levied, and the resolution of the tobacco which was seized.<sup>45</sup> These restrictions raised the price of Confederate tobacco to exorbitant levels and forced tobacco consumers in Britain to seek alternative sources.

British importers sometimes complained that substantial portions of tobacco were arriving in damaged condition. Tobacco which was shipped overseas in hogsheads (a barrel which weighed anywhere from 1,400 to 1,600 pounds when entirely packed with tobacco) frequently arrived at its destination in a less than optimum state. Mold, heat, and deterioration all contributed to the devaluation of the article.<sup>46</sup> The physical decomposition of Virginia tobacco during shipment was only one of several problems which troubled Confederate tobaccoists during the war.

Correspondence between tobacco firms in the Confederacy and clients overseas became increasingly more difficult as the war dragged on in late 1862. The Australian firm Lord and Co. justified its lack of correspondence to a Confederate manufacturer at this time by saying that "we have not written you for some time as there was no way we could feel certain the letter would reach

---

<sup>45</sup>Ibid., House of Commons, vol. 53, 7 March 1864, 723-29.

<sup>46</sup>John K. Gilliat and Co. to James Thomas, Jr., Liverpool, 8 March 1862, Thomas Papers.

you."<sup>47</sup> Foreign tobacco firms complained that "all our letters have for a long time been returned to us";<sup>48</sup> communications difficulties also accentuated the economic hardships that foreign tobacco houses experienced during the war. One Australian firm spoke for all foreign consumers of Confederate tobacco by stating that "we hope ere long to see your handwriting again and trust that the troubles of your country will soon be settled, and that the way may be clear for your shipments and that we may soon be favored with further consignments from you."<sup>49</sup> A Bremen concern echoed these statements in its correspondence with a Richmond firm by saying that it was "hoping that peace may soon be restored and we may have often hereafter the pleasure of corresponding with you."<sup>50</sup>

As 1862 drew to a close, the foreign demand for Virginia tobacco subsided as foreign tobacco began to supplant Virginia leaf. High prices reduced the demand for Confederate tobacco in Europe as the blockade gradually reduced the exodus of Confederate tobacco into foreign

---

<sup>47</sup>Lord and Co. to James Thomas, Jr., Melbourne, 24 May 1862, *ibid.*

<sup>48</sup>Lord and Co. to James Thomas, Jr., Melbourne, 25 September 1862, *ibid.*

<sup>49</sup>*Ibid.*

<sup>50</sup>F.M. Victor and Sons to James Thomas, Jr., Bremen, 10 October 1862, Thomas Papers.

ports.<sup>51</sup> These factors caused one tobacco house in Rotterdam to remark that

tobacco in general remains quiet and buyers take reluctantly what they want for immediate consumption only. We sincerely hope that the political troubles on your side may be soon settled and that we may then resume our correspondence to mutual advantage.<sup>52</sup>

By 1863, the unfortunate reality for Confederate and European tobacconists alike was that the Federal naval blockade would never again allow a "normal" resumption of tobacco trade between Confederate manufacturers and foreign tobacco houses. Europeans began using tobacco substitutes for the highly valued Confederate leaf. Tobacco from Holland, Java, Greece, Turkey, Paraguay, and Egypt was far more available to consumers in Europe, and was, of course, much less costly.<sup>53</sup>

In the spring of 1863, some European tobacco houses closed their accounts with Confederate manufacturers altogether, rather than continue to absorb wartime losses.<sup>54</sup> Dutch and German firms such as Mees and Moens, H.H. Meier, and F.M. Victor and Sons settled their tobacco accounts with

---

<sup>51</sup>F.M. Victor and Sons to James Thomas, Jr., Bremen, 25 October 1862, *ibid.*

<sup>52</sup>Mees and Moens to James Thomas, Jr., Rotterdam, 23 December 1862, *ibid.*

<sup>53</sup>John K. Gilliat and Co. to James Thomas, Jr., London, 10 January 1863, *ibid.*

<sup>54</sup>Mees and Moens to James Thomas, Jr., Rotterdam, 20 February 1863, *ibid.*

James Thomas, Jr. in mid-1863. Continental demand for southern tobacco was virtually nonexistent due to the availability of foreign substitutes. As military and economic conditions in the South worsened, many Confederate tobacconists found themselves wishing that they had been more meticulous in their prewar financial planning; nearly all Southern tobacco manufacturers, agents, planters, and exporters felt the heavy weight of the Civil War upon their trade with Europe as the year progressed.<sup>55</sup> The European demand for Virginia tobacco gradually decreased in 1863 as the article became increasingly more expensive and more difficult to obtain. "An increase in the consumption of [tobacco] substitutes and liberal supplies from New York"<sup>56</sup> each continued to exacerbate the Confederacy's rapidly weakening tobacco trade.

The relentless pressure which the naval blockade exerted upon the Confederate economy had an overwhelmingly stifling effect upon the South's ability to maintain any semblance of trade with its tobacco markets in Europe and Australia. Lincoln's naval blockade virtually ended the Confederate international tobacco trade by the close of 1863. Adding to the troubles of the Confederacy's foreign

---

<sup>55</sup>John K. Gilliat and Co. to James Thomas, Jr., London, 28 April 1863, *ibid.*

<sup>56</sup>H.H. Meier and Co. to James Thomas, Jr., Bremen, 3 July 1863, *ibid.*

tobacco trade was competition from other tobacco-producing nations. European and Australian consumers relied upon cheaper and more accessible sources of the weed as less Confederate tobacco reached the continent. Foreign countries such as Egypt, Turkey, Greece, and the United States furnished Europe with the quantities of tobacco it desired at a price it was willing to pay. By employing the naval blockade, the Federal government used the economic tenet of supply and demand to its advantage. Confederate tobacco was prevented from reaching the shores of Europe. As quantities of the article became scarce on the European market, prices soared out of reach of the consumer. The void left by the absence of Confederate tobacco was filled by tobacco substitutes which were both affordable and obtainable. The failure of the Confederate foreign tobacco trade was inexorably connected to the Confederacy's difficulties in diplomacy.



CHAPTER 4  
CONFEDERATE TOBACCO AND FOREIGN DIPLOMACY

Diplomatically, tobacco was a matter of interest and concern to the Confederacy in one primary area. Tobacco (as well as cotton, of course) was used as a bargaining chip by the Confederate States of America in its effort to gain independent status and official political recognition from two of the world's greatest economic and military powers: Great Britain and France. An editorial published by the *New York Times* at this time underscored the potential diplomatic value that tobacco could provide to Confederate interests in foreign policy. The *Times* suggested:

It may not be out of season to inquire how far the fate of the world is based on smoke, in other words, what is likely to be the effect of the blockade on the tobacco supply of the European markets? Tobacco is probably, after salt, the object whose consumption is most generally diffused. The generous tobacco is the gentleman's saint and soldier's idol.<sup>1</sup>

The editorial reported that the United States supplied Great Britain with one half of its annual tobacco consumption of 60,000,000 pounds; the *Times* also stated that the United States furnished between three-fourths to four-fifths of the

---

<sup>1</sup>*New York Times*, 2 October 1861.

tobacco annually consumed in France.<sup>2</sup>

Both Great Britain and France contemplated the merits of recognizing Confederate independence in light of their dependence on Southern tobacco and cotton.<sup>3</sup> Confederate diplomats hoped that each power might resort to acts of war in order to break the Federal blockade and to preserve their reliable supply of revenue which resulted from the importation of Confederate tobacco.<sup>4</sup> Tobacco was an instrument of Confederate foreign diplomacy with Britain and France in several instances during the Civil War. Each political crisis could have potentially brought Britain or France into a political and military alliance with the Confederacy. "King Tobacco" diplomacy inevitably failed in each of the following cases:

- the *Hiawatha* and *Tropic Wind* incidents;
- the *Trent* affair;
- the Franco-Confederate attempt to ship French-owned tobacco to France through the blockade.

In March 1861 Confederate emissaries William Yancey, Pierre A. Rost, and A. Dudley Mann traveled to Europe on behalf of the fledgling government of the C.S.A. to

---

<sup>2</sup>Ibid. Please refer to chapter 3 for statistics describing British and French tobacco consumption, importation, and taxation.

<sup>3</sup>*New York Times*, 26 January 1861.

<sup>4</sup>*Debow's Magazine* 31 (1861): 204-5.

negotiate direct trade agreements with Great Britain and France. Confederate diplomats discovered that many European tobacconists were in regular communication with their respective governments in regard to tobacco policy.<sup>5</sup> Foreign governments realized that a plentiful and high-quality grade of Confederate tobacco would be among the many Southern agricultural crops which could be exchanged for manufactured goods (exceeding 150 million dollars in 1861) which were formerly purchased by the South from Northern concerns.<sup>6</sup> Government commissioners who presided over the British and French tobacco industries seriously considered the idea of breaking the blockade of Confederate ports as a means of re-opening channels of trade with Confederate tobacco manufacturers.<sup>7</sup>

Because blockade running was the only viable transportational option that Confederate businessmen had in exporting tobacco and cotton overseas to European customers, some Southern tobacco manufacturers attempted to receive the

---

<sup>5</sup>John K. Gilliat and Co., W.E. and H.O. Wills, G.F. Davis and Sons, Grant, Hodgson and Co., R.S. Maitland and Co. of London, and Robert Kerr and Son, W.A. and G. Maxwell, Robert Edwards, and William Somervail and Son of Liverpool were among the leading British tobacco firms during the American Civil War. The House of Rothschild was the major private tobacco concern of France. The French and Italian Regie were the official tobacco monopolies of these states, respectively. Major Dutch, German, and Australian tobacco houses are listed in Appendix 3, page 117.

<sup>6</sup>*New York Times*, 19 March 1861.

<sup>7</sup>*Ibid.*, 7 November 1861.

permission of the Federal government to allow Northern or foreign vessels free passage through the blockade to Southern ports. Unfortunately, Confederate tobaccoists learned that "no vessel—foreign or otherwise, can get clearance for any Southern port and a strict blockade is enforced at the mouth of the James River."<sup>8</sup> The Federal blockade received the close scrutiny of both Great Britain and France. The complex legal provisions of international law strictly governed how belligerents and neutrals were to conduct themselves in maritime affairs during a time of blockade or war.

Southern tobacco merchants were forced to hurdle a myriad of bureaucratic obstacles in the form of Federal prize courts and courts of admiralty as the legal provisions of the blockade were enforced. The legal representatives of Confederate tobacco houses faced a mountain of litigation in the process of getting confiscated vessels and cargo released. In early May 1861, one Confederate advisor, Jacob Heald of Baltimore, reported to Richmond tobaccoist James Thomas, Jr.:

The writer has just got back from Washington and after two days of very unpleasant and troublesome labor succeeded in getting released the three schooners now at the navy yard in Philadelphia. In conversation with Mr. Seward (Secretary of State) and Mr. Welles (Secretary of Navy), the writer was given to understand that a claim for damages of

---

<sup>8</sup>Fisher, Ricards and Co. to James Thomas, Jr., New York, 4 May 1861, Thomas Papers.

either vessels or cargo would not be entertained by government—that in these wartimes the innocent must bear their part and it was not within the reach of their departments to make any distinction in the discharge of a strict duty—that we ought to be glad to have our property released. We . . . will engage the service of a good maritime lawyer for the purpose of preparing the necessary papers with which to go before a court of claims.<sup>9</sup>

Many Confederate victims of the blockade learned that "the Courts of Admiralty in charge required before relief the affidavits of the owner of the vessel and representatives of the cargo, that no claim or claims would be preferred against the U.S. government based upon their seizure or detention."<sup>10</sup>

The Federal seizure of the British ships, the *Hiawatha* and the *Tropic Wind* in May, and the *Trent* in November 1861, created shock waves within the political circles of the Confederate States, Great Britain, France, and the United States. All three vessels, seized without warning by Federal warships, were of British registry and flew the flag of Great Britain. The *Hiawatha* incident tested the international integrity of the Federal blockade for the first time. This case was meticulously studied by both belligerents and neutrals alike.

The barque *Hiawatha* was filled to near capacity with

---

<sup>9</sup>Jacob Heald to James Thomas, Jr., Baltimore, 23 May 1861, *ibid.*

<sup>10</sup>Jacob Heald to James Thomas, Jr., Baltimore, 30 May 1861, *ibid.*

445 tons of tobacco which was exported from the Confederacy through the port of Richmond and was en route to London when captured in Hampton Roads on 20 May 1861 by the American steamer, the *Star*.<sup>11</sup> The prestigious tobacco house of London, John K. Gilliat and Company, was due to receive the tobacco cargo of the *Hiawatha*. Gilliat described the *Hiawatha* incident in the following manner to James Thomas, Jr., who owned a substantial portion of the cargo:

We are informed that the *Hiawatha* has been taken by the blockading squadron and sent round to New York as a prize. We cannot suppose she will be condemned if we understand the question right; a British ship sailed before the expiration of the time allowed neutrals to depart—we think the flag will cover the property [tobacco]. We shall do all that can be done for our [Confederate] friends. We are bringing in parliamentary influence . . . as we cannot suppose that any nation is desirous to predicate difficulties with this country on questions of maritime law.<sup>12</sup>

Testimony from Confederate and British parties involved in the Federal trial on the *Hiawatha* incident maintained that the barque and her crew were well within their right to sail freely through the Federal blockade from Richmond on 16 May 1861. The *Hiawatha* was unable to depart from Richmond's deep water port of City Point until 18 May for want of a steam-tug. The Federal government had only established an effective blockade on 1 May 1861; Confederate

---

<sup>11</sup>*London Times*, 28 October 1861.

<sup>12</sup>John K. Gilliat and Co. to James Thomas, Jr., London, 8 June 1861, Thomas Papers.

officials contested the Federal confiscation of the *Hiawatha* by citing the following Federal proclamation:

Neutral vessels will be allowed fifteen days to leave port after the actual commencement of the blockade, whether such vessels are with or without cargoes, and whether the cargoes were shipped before or after the commencement of the blockade.<sup>13</sup>

The Confederacy maintained that the *Hiawatha* was within her right to pass through the blockade unmolested. The case concerning the *Hiawatha* and her full cargo of tobacco came to court in late July of 1861; the solicitor and attorney who acted on behalf of the English consul in the case stated prior to the hearing that he "feared the judgment will go against him."<sup>14</sup> Immediately before the decision was made upon the *Hiawatha* and her cargo, John K. Gilliat cryptically remarked "should the judgment be adverse, an appeal ought unquestionably to be made to the Supreme Court, although under the existing state of things we should feel no security that justice would be even there administered."<sup>15</sup> On 30 September 1861, the *Hiawatha* and her cargo were condemned by a Federal District Court in New York, by a Judge Betts. Robert Edwards, a powerful tobacco house in Liverpool, predicted that the case would be carried into the

---

<sup>13</sup>*London Times*, 28 October 1861.

<sup>14</sup>Fisher, Ricards and Company to James Thomas, Jr., New York, 20 July 1861, Thomas Papers.

<sup>15</sup>John K. Gilliat and Co. to James Thomas, Jr., London, 31 August 1861, *ibid.*

Supreme Court.<sup>16</sup> Indeed, the higher court later reversed the decision upon the *Hiawatha* and her cargo of tobacco; in a communication to Richmond in late 1861, John K. Gilliat surmised that this decision was overturned as a result of a major tenet of international law—the principle of free ships and free trade.<sup>17</sup>

Actually, the Supreme Court overturned the original condemnation of the barque *Hiawatha* for two principal reasons. The Supreme Court reasoned that the use of a naval blockade was recognized by international law as the right of a belligerent nation at war. The high court ruled that "the Federal Courts could not recognize the existence of a public or civil war carrying with it belligerent rights until it had been recognized by Congress. A state of civil war was only recognized for the first time by an Act of Congress, 13 July 1861."<sup>18</sup> As a result, the Supreme Court ordered that all ships captured as prizes of war prior to this date be released by the Federal government. The second legal tenet which contributed to the release of the *Hiawatha* was the observation that the British captain of the ship had complied with the Federal decree of leaving within fifteen

---

<sup>16</sup>Robert Edwards to James Thomas, Jr., Liverpool, 11 October 1861, *ibid.*; *New York Times*, 1 October 1861.

<sup>17</sup>John K. Gilliat and Co. to James Thomas, Jr., London, 18 October 1861, Thomas Papers.

<sup>18</sup>Bernard, 90-91.



days of the effective implementation of the blockade. The court ruled that British officers aboard the *Hiawatha* had acted in good faith in observing the Federal deadline for the departure of neutrals, and that their delay was due to no fault of their own.<sup>19</sup>

The first of these two interpretations of international law handed down by the Federal Supreme Court applied to the case of the *Tropic Wind*. The sixty-three ton British schooner was laden with tobacco which was owned by James Thomas, Jr., and was seized by the Federal squadron in Hampton Roads the day after the *Hiawatha* was seized, on 21 May 1861. Citing the ruling on the seizure and release of the *Hiawatha*, the District Court of the United States for the District of Columbia ordered the release of the *Tropic Wind* and her cargo.<sup>20</sup> The *Tropic Wind* proceeded on its way from Washington to Halifax, Nova Scotia in October 1861, where the tobacco cargo was shipped to London.<sup>21</sup>

Although the *Trent* affair did not directly involve a cargo of Confederate tobacco, this volatile political crisis of late 1861 did have a profound impact upon the value and demand for Confederate tobacco in European markets. As news spread across Europe of the Federal seizure of the *Trent*,

---

<sup>19</sup>Ibid., 235-36.

<sup>20</sup>Ibid., 97-98.

<sup>21</sup>J.M. Carlisle to James Thomas, Jr., Washington, D.C., 22 June 1861, Thomas Papers.

H.H. Meier and Company, a major tobacco house in Bremen, Germany remarked that

the seizure of the commissioners Mason and Slidell has caused a very great sensation in Europe. We doubt whether peace will be concluded before next spring and consider therefore the present calmness in the tobacco market as unfounded and transitory.<sup>22</sup>

As war between the United States and Great Britain became an immediate possibility, a Confederate tobacconist in New Orleans gleefully predicted that

should a war break out between the Yankees and Great Britain, there is no doubt but some of our ports would soon be opened and this one about the first as Norfolk would still be blockaded by the forts and Savannah and Charleston by the fleets rendezvousing at Port Royal and Hatteras.<sup>23</sup>

The tobacco traders of Europe secretly hoped for a peaceful solution to the *Trent* affair. One German tobacconist observed that "since France has adopted the English view of the *Trent* affair, people are inclined to think that the government at Washington will give satisfaction; hence the increased confidence in peace."<sup>24</sup> European speculators in the Confederate tobacco trade hoped for a peaceful resolution to the crisis because this would prolong the Federal blockade, and therefore make it more

---

<sup>22</sup>H.H. Meier and Co. to James Thomas, Jr., Bremen, 28 November 1861, *ibid.*

<sup>23</sup>Van Benthuyssen and Co. to James Thomas, Jr., New Orleans, 30 December 1861, *ibid.*

<sup>24</sup>H.H. Meier and Co. to James Thomas, Jr., 30 December 1861, *ibid.*

difficult for Confederate tobacco to leave Southern ports. When news reached Europe in January 1862 that the crisis had been peacefully resolved by the governments of Great Britain and the United States, European tobacco houses across the continent rejoiced at the prospect of a limited but steady supply of Confederate tobacco reaching their ports. No longer would they have to fear a massive influx of Confederate tobacco which would drive prices to exorbitant levels.<sup>25</sup>

The final and most important diplomatic story involving tobacco during the Civil War developed in the spring of 1862. The principal players in this drama were Judah P. Benjamin, Confederate Secretary of State; John Slidell, Confederate Commissioner in Paris; Alfred Paul, French consul in Richmond; Henri Mercier, French minister in Washington; Edouard Drouyn de Lhuys, French foreign minister; William H. Seward, American Secretary of State; and William L. Dayton, American minister in Paris. The particular issue raised by these diplomats involved two quantities of tobacco which were bought and paid for in late March and early April 1861. Alfred Paul, acting as an agent for the French Regie, purchased 7,000 hogsheads (about 10,500,000 pounds) of tobacco, and the New York firm of August Belmont had purchased 2,200 hogsheads (about

---

<sup>25</sup>John K. Gilliat and Co. to James Thomas, Jr., Liverpool, 11 January 1862, *ibid.*

3,300,000 pounds) for the Paris branch of the Rothschilds.<sup>26</sup>

The episode began only as

a complicated commercial operation, but developed into a doubled-edged diplomatic weapon: the South used it to test the Federal blockade, and the North used it to counter the early French policy towards Confederate naval activities in France. It involved two informal understandings between Great Britain and France and an informal convention between the United States and France.<sup>27</sup>

The French Foreign Minister assigned to Washington, Baron Henri Mercier and Alfred Paul, Consul of France assigned to Richmond, were both active in negotiating with Confederate and Federal authorities as a means of securing the tobacco and bringing it through the blockade. In April 1862, Mercier arrived in Norfolk, and officially began French efforts to gain control of the Rothschild tobacco sequestered in Confederate warehouses in Richmond.<sup>28</sup> Alfred Paul was instructed by Mercier to make arrangements to have the Rothschild tobacco transferred to the warehouse which stored the Regie tobacco. The French government wanted the tobacco of the Rothschilds and the Regie stored together as

---

<sup>26</sup>Lynn M. Case and Warren F. Spencer, *The United States and France: Civil War Diplomacy* (Philadelphia: The University of Pennsylvania Press, 1970), 526-27. Warren F. Spencer's article, "French Tobacco in Richmond during the Civil War," *The Virginia Magazine of History and Biography* 71 (April 1963): 185-202, is included in this volume and is an outstanding detailed examination of this tobacco-related controversy.

<sup>27</sup>Case and Spencer, 526.

<sup>28</sup>*New York Times*, 18 April 1862.

neutral property in warehouses protected under the French flag of neutrality. The French feared that the Confederate government might confiscate the Rothschild tobacco as private property. When Confederate authorities in Richmond attempted to seize the Rothschild tobacco in May 1862, French consul Paul took the matter to the Confederate States District Court. The court decided in favor of the Rothschilds, and allowed Paul to store all of the tobacco together as protected neutral property.<sup>29</sup>

The focus of these developments shifted briefly across the Atlantic to Paris following the Confederate decision on the Rothschild tobacco. John Slidell, the Confederate commissioner assigned to Paris, was very much aware of the potential leverage that tobacco could exert upon the cause of bringing about official French recognition of the C.S.A. Slidell's communication with the Confederacy's first Secretary of State R.M.T. Hunter in July 1862 formally requested that the Rothschild and Regie tobacco be removed from Richmond and shipped through the blockade to Paris.<sup>30</sup> The Confederate commissioner wrote a lengthy letter to French Foreign Minister Edouard Thovenal one week later. What he outlined was the tantalizing

---

<sup>29</sup>Case and Spencer, 527; also Spencer, 187-88.

<sup>30</sup>Slidell to Hunter, Paris, 14 July 1862, State Department Papers, Confederate States of America, Division of Manuscripts, MSS, Library of Congress, Washington, D.C. (hereafter cited as Pickett Papers).

economic bounty of Confederate tobacco, cotton, rice, and sugar that could be had as a benefit of French recognition of the independence of the Confederacy.<sup>31</sup> The Confederate tobacco shortage did not escape the attention of Emperor Louis Napoleon. Several of the emperor's closest advisors feared that the loyalty and morale of France's 600,000 soldiers would weaken if tobacco rations continued to dwindle. Based on a monthly tobacco ration of three-fourths of a pound per soldier, the French army consumed 5,400,000 pounds of tobacco annually. As a result, the Regie made the acquisition of Confederate tobacco a matter of top priority and political expediency.<sup>32</sup>

In January 1862, the recently-appointed French foreign minister Edouard Drouyn de Lhuys instructed Alfred Paul to secure permission to send the French tobacco to France. Confederate Secretary of State Benjamin granted permission provided that the tobacco was shipped through City Point on the James. American Secretary of State Seward granted the French permission to move the tobacco through the blockade, provided that it was shipped out of Savannah, Georgia.<sup>33</sup> With the Confederate and the American governments at a philosophical impasse on this issue, Mercier presented

---

<sup>31</sup>Slidell to Thovenal, Paris, 21 July 1862, *ibid.*

<sup>32</sup>*New York Times*, 2 October 1861.

<sup>33</sup>Case and Spencer, 527.

Seward with an alternative; Mercier "suggested that the United States could buy French goodwill if they allowed the tobacco to leave from the James River, through the Hampton Roads blockade."<sup>34</sup> In July 1862, Seward agreed to Mercier's proposal only if specific approval was obtained from Great Britain in moving the tobacco through the blockade.<sup>35</sup>

Confederate Secretary of State Benjamin also agreed to allow the French tobacco to pass through Confederate territory provided that the French vessels transporting the tobacco did not stop at any point along the way that was held by the enemy. Benjamin believed that Federal approval allowing safe passage to the French tobacco tacitly implied "an absolute abandonment of the blockade to the world at large."<sup>36</sup>

United States minister to France, William L. Dayton, lobbied heavily for a relaxation of the blockade in order to allow the French tobacco to reach the Emperor. In this way, the Federal State Department hoped to beat the Confederacy to the diplomatic punch by winning the favor of tobacco-starved France.<sup>37</sup> Also, the Federal government hoped that

---

<sup>34</sup>Ibid.

<sup>35</sup>Ibid., 528-29.

<sup>36</sup>Ibid.

<sup>37</sup>Dayton to Seward, Paris, 21 October 1863, U.S. Department of State, *Foreign Relations of the United States* (Washington, D.C.: Government Printing Office, 1861-1957), II, 724.

the goodwill gesture might discourage the likelihood of France sponsoring the construction or re-arming of Confederate warships in French ports. Federal efforts to win the approval of the French emperor were not in vain. French ministers Mercier and Drouyn de Lhuys each thanked Federal Secretary of State Seward for his cooperation and assistance in allowing for a relaxation of the blockade to accommodate the shipment of the Regie tobacco from Richmond to France.<sup>38</sup>

This diplomatic cooperation was short-lived. In September 1863, Seward received a disturbing message from Dayton. The Confederate cruiser *Florida* had recently sailed into the French port of Brest. To make matters worse, Dayton reported to Seward that he had convincing proof that Confederate ironclads were being constructed in Bordeaux and Nantes. Seward immediately withdrew Federal permission to move the tobacco through the blockade upon hearing this news.<sup>39</sup> When word of this decision reached French Foreign Minister Drouyn de Lhuys, he immediately suspended French permission to arm the Confederate ships at Bordeaux and Nantes. "Seward obviously felt that his action on the tobacco affected the decision to withhold armaments from the

---

<sup>38</sup>Dayton to Seward, Paris, 25 December 1863, FRUS (1863), no. 390, 11.

<sup>39</sup>Case and Spencer, 530-31.



Confederate vessels under construction."<sup>40</sup>

On 23 November 1863, Seward and Mercier drew up an "Informal Convention under which the exportation of certain tobacco from within limits under blockade shall be governed."<sup>41</sup> This convention between France and the United States was valid for five months (until 23 April 1864) and was the governing document for the remainder of this complex ordeal. The French government ordered Consul Alfred Paul to make the necessary arrangements to hire neutral ships for the passage of the French tobacco. Logistical problems and contradictory communications between Paris and Washington prevented Paul from beginning transportational arrangements until April 1864. Paul sailed up the James with an escort of the French corvettes, the *Tisaphone* and the *Grenada*, who accompanied the two British freighters that were to carry the tobacco, the *Bidwell* and the *Miller*.<sup>42</sup>

The neutral convoy reached City Point safely on 21 April 1864. After having only 150 hogsheads of tobacco loaded, Paul was ordered by General Benjamin Butler to return to Fort Monroe because the time limit for the tobacco operations had expired.<sup>43</sup> Prior to leaving, Paul visited

---

<sup>40</sup>Ibid., 532.

<sup>41</sup>Ibid., 532-33.

<sup>42</sup>Ibid., 535-36.

<sup>43</sup>Ibid., 537.

Confederate Secretary of State Benjamin and advised him of the present circumstances. Benjamin was terribly upset upon hearing the news of the Franco-American convention, and reminded Paul that the agreement between the Confederacy and France clearly stipulated that French tobacco could not pause or stop in any territory held by the enemy once it left City Point for the open sea. The convention was especially objectionable to Benjamin because "France recognized the pretensions of the United States to a control over neutral vessels and their crews while in Confederate ports."<sup>44</sup>

The failure of the French to acknowledge openly Confederate sovereignty in order to gain their valuable supply of tobacco was a bitter diplomatic embarrassment to the South. As a consequence of France's seeming shift in policy, the C.S.A. "emphatically refused to permit the exportation of French tobacco to a nation which appeared to deny its independence."<sup>45</sup> Benjamin declared that no French vessel could be allowed to take on cargo in any Confederate port until the convention was dissolved. From a Confederate standpoint, the fate of the French tobacco was sealed when Secretary of State Benjamin officially rejected France's

---

<sup>44</sup>Ibid., 539.

<sup>45</sup>Milledge L. Bonham, Jr., "The French Consuls in the Confederate States," *Studies in Southern History and Politics. Inscribed to William Archibald Dunning* (New York: Kennikat Press, 1914), 92.

request to export the tobacco in September 1864. Benjamin justified his decision by stating that the French had "entered into a convention with our enemy so objectionable in its character and so derogatory to our rights as an independent power that we have been forced to withdraw permission" to ship the French their tobacco.<sup>46</sup>

After these serious diplomatic setbacks in 1863 and 1864, Confederate Secretary of War James Seddon ordered Colin J. McRae "to take charge of all Confederate securities deposited with Fraser, Trenholm and Company, and to distribute these funds to Confederate purchasing agents"<sup>47</sup> in London and Liverpool. Fraser, Trenholm and Company was a highly successful and widely respected firm involved in the fields of banking, importation, and exportation. By taking over the responsibility of the Confederacy's securities with Fraser, Trenholm and Company in Liverpool, McRae, in effect, became the Confederacy's European Secretary of the Treasury. In this capacity, McRae wrote Confederate Treasury Secretary Christopher G. Memminger and suggested that the government take control of all exports, and that the Confederacy impress all cotton and tobacco in the South and use them to

---

<sup>46</sup>Benjamin to Hotze, Richmond, 20 September 1864, *Official Records of the Union and Confederate Navies in the War of the Rebellion*, U.S. War Department (Washington, D.C.: Government Printing Office, 1880-1901), 2nd ser., III, 1213.

<sup>47</sup>Stephen R. Wise, *Lifeline of the Confederacy* (Columbia: University of South Carolina Press, 1988), 143.

finance the war effort.<sup>48</sup>

McRae won the support of Charles K. Prolieu, the acting president of Fraser, Trenholm, and Company shortly after arriving in Liverpool. Prolieu agreed to finance the construction of eight blockade runners for the Confederacy. Four of these ships were constructed by Jones, Quiggin and Company. The remaining four ships were constructed by Laird and Sons. McRae also contracted with the renowned tobacco and banking house of London and Liverpool, John K. Gilliat and Company, for the construction of six additional blockade runners by the firm of Jones, Quiggin and Company. Financial arrangements between the Confederate government and each of these British financiers were similar. Each house financed the construction of the blockade runners for the Confederacy. In return, these two firms would receive the proceeds of one-half of the cotton and tobacco which was brought through the blockade. Once the loans were paid off, the Confederacy would become the sole operator of the vessels. The Gilliat tobacco house paid for the construction of the following sidewheelers: the *Rosine*, the *Ruby*, the *Widgeon*, the *Curlew*, the *Snipe*, and the *Plover*.

Jones, Quiggin and Company contracted to deliver these vessels to Gilliat and Company by December 1864; unfortunately for the Confederacy, these blockade runners

---

<sup>48</sup>Ibid., 142-43.

remained unfinished at the war's end.<sup>49</sup>

Confederate tobacco was simply not diplomatically enticing enough to elicit official recognition from either France or Great Britain. The Confederacy's attempt at "King Tobacco" diplomacy failed; neither France nor Great Britain extended political recognition to the Confederate States of America, and neither European power provided any military assistance to the Confederates. Conversely, neither Great Britain nor France actually received the tobacco they desired or felt entitled to during the war. The Rothschild tobacco, being private property, was eventually destroyed by retreating Confederate soldiers during the evacuation of Richmond on 2 April 1865.<sup>50</sup> The 7,000 hogsheads of tobacco owned by the French Regie were finally removed from Richmond and shipped to Paris once the Union army had secured control of Richmond and the James River after the war.<sup>51</sup>

---

<sup>49</sup>Ibid.; see also Charles S. Davis, *Colin McRae: Confederate Financial Agent* (Tuscaloosa: Confederate Publishing Company, Inc., 1961), 56-57.

<sup>50</sup>Case and Spencer, 542.

<sup>51</sup>Ibid., 544.

## CHAPTER 5

### THE POSTBELLUM TOBACCO INDUSTRY IN THE SOUTH

Four years of war left the Confederacy in ruins; Southern cities, factories, and plantations were scenes of destruction. The Confederate States of America was no more. Its once-thriving tobacco industry had almost disappeared in the wake of war. The Southern tobacco industry would be dormant until the end of Reconstruction. Tobacco had been a useful and powerful economic weapon during the war. Tobacco, however, failed to attract the diplomatic and economic attention from Europe that the Confederacy thought it would.

The statistical figures cited by the agricultural reports of the seventh, eighth, and ninth United States Census document the rise and decline of the Southern tobacco industry between 1850 and 1870.

In 1850, Virginia produced 56,803,227 pounds of the nation's total production of 199,735,993 pounds of tobacco. Roughly one quarter of the nation's tobacco was produced in Virginia; it had a value of \$5,157,652. Between 1850 and 1860, individual manufacturers in Richmond, Lynchburg, and Danville became more productive. In 1850 there were twenty-three manufacturers among the three cities who produced more

than \$50,000 worth of tobacco. In 1860, forty-three manufacturers produced this product value. Virginia had a bumper crop of tobacco in 1860. It produced 123,968,312 pounds of the article worth \$12,236,683. The Old Dominion produced over one-third of the nation's 434,183,561 pounds of tobacco. The statistics from the census of 1870 bear out the devastating effect that the war had upon the tobacco industry of Virginia. Virginia's tobacco production of 1870 was 37,086,364 pounds, well below its production level of 1850. Virginia produced less than ten percent of the nation's 262,735,341 pounds of tobacco in 1870. This productivity yielded \$7,054,770 of the nation's \$71,762,044 total tobacco revenue, less than ten percent.

The same statistical trends apply to the four major tobacco manufacturing cities of Virginia between 1850 and 1870. Richmond, Danville, Petersburg, and Lynchburg showed significant gains in hands employed, capital investment, number of establishments, and annual product value between 1850 and 1860. The statistical data from the census of 1870 reveal a dramatic decline in tobacco production in each of these cities.

Less than one month after the Confederate surrender at Appomattox, T.C. Williams, a successful tobacco manufacturer from Richmond, described conditions he observed to his close friend and business associate, tobacco magnate James Thomas, Jr.:

The loss of property, etc. and the destitution that must prevail is very great and it will be a long time if ever before the city and people will recover from it. Your losses though immense are not as great as many others, as they lost all. As things have turned out, you were fortunate.<sup>1</sup>

The former Confederacy was now a defeated and occupied nation. Union soldiers roamed freely over the once productive Confederate countryside. Helplessness, doubt, and confusion engulfed the sentiments of the Southern people. Tobacco planters and manufacturers reflected these same emotions. Many formerly successful tobacco men now feared that what little they had left might be confiscated or heavily taxed by Federal authorities.<sup>2</sup> Some even questioned whether to attempt to raise a tobacco crop at all "as the foraging parties were going out and taking everything."<sup>3</sup> At war's end, future tobacco magnates such as Washington Duke were virtually penniless. After being released from a Federal prisoner-of-war camp in New Bern, North Carolina, Duke walked the 134 miles to his tobacco farm near Durham with only a silver fifty-cent piece in his pocket. Before the war, he had anticipated that tobacco would be a leading staple in the country. The large quantity of tobacco that he had safely stored on his farm

---

<sup>1</sup>T.C. Williams to James Thomas, Jr., Richmond, 2 May 1865, Thomas Papers.

<sup>2</sup>Ibid.

<sup>3</sup>Ibid.



was nearly gone when he arrived home. His tobacco had been "pressed" into service by the Union armies of General W.T. Sherman, and had been distributed all over the Union. To make matters worse, his home and tobacco barns were destroyed. "What was then considered a calamity by Duke and others who lost tobacco, ultimately proved to be a great blessing."<sup>4</sup> Duke's story was similar to those of many tobacconists throughout Virginia and North Carolina after the war.

The future that faced tobacconists of the former Confederacy was one filled with the dread of uncertainty. "The presence of so many soldiers and the constant fear we are in prevents our having any fixed plans."<sup>5</sup> Tobacco planters, dealers, and merchants found themselves totally at the mercy of the Federal army. Questions regarding tobacco taxes and prices were a serious preoccupation among Southern tobacconists. Yankee legal tender was nearly nonexistent in the hands of most Southerners. In another letter to James Thomas, Jr., in early May, Thomas C. Williams remarked that, "from the day of the evacuation of Richmond I have been anxious to sell out everything for gold, but there is no earthly prospect of doing anything of the kind here. The

---

<sup>4</sup>Hiram Paul, *History of the Town of Durham, N.C.* (Raleigh: Edwards, Broughton and Co., 1884), 150-52.

<sup>5</sup>T.C. Williams to James Thomas, Jr., Danville, 8 May 1865, Thomas Papers.

money must come from abroad as there is none here."<sup>6</sup>

The prospects of tobacco confiscation and heavy taxation by Federal authorities were only two problems which Southern tobaccoists faced. Planters were also hard-pressed to find enough field hands to plant, cultivate, and harvest the tobacco crop. The skilled and slave labor that was formerly required in the tobacco cultivation and curing processes was no longer available. In the antebellum days, slaves performed most of the arduous tasks that were painstakingly executed in order to produce a top-quality tobacco product. Former slaves left their masters and migrated north in search of the promises of good fortune and freedom. Over 200,000 slaves were freed in Southside Virginia alone immediately after the war in 1865. This created an immense vacuum in the labor force of Virginia's postbellum tobacco industry.<sup>7</sup> Hired hands had all but melted away as the Army of Northern Virginia absorbed the few able-bodied men that were available in the closing months of the war. Tobacco planters were forced to split up their immense plantations into smaller, less labor-intensive sections. Freedmen entered into conventions of labor with former plantation owners and overseers. Land owners leased

---

<sup>6</sup>Ibid.

<sup>7</sup>Katherine S. Perry, *History of Farm Tenancy in the Tobacco Region of Virginia, 1865-1950* (Cambridge: Radcliffe College Press, 1956), 32.

their tobacco-producing acreage to tenant farmers, or made compensatory arrangements with sharecropper farmers.<sup>8</sup>

Tobacco planters complained that the "Yankees" stole everything from mules to fence rails;<sup>9</sup> barns that had been destroyed had to be rebuilt. Vacant or inoperative tobacco factories that were still standing had to be guarded by their owners to prevent further destruction to them.<sup>10</sup>

In some cases the "Yankees" would indeed confiscate the tobacco of former Confederates and send it north as a prize or "tithe" of occupation.<sup>11</sup> As the realities of defeat settled upon the South, another compelling obligation confronted the tobacconists of the former Confederacy—the loyalty oath and the oath of amnesty. Under the provisions of Reconstruction, Federal authorities required that individuals who formerly supported or sympathized with the Confederacy take oaths of repentance and loyalty. This Federal order affected the hired hand and entrepreneur alike.<sup>12</sup> The consensus among the tobacconists of the former Confederacy was that the "voluntary" oath of amnesty and

---

<sup>8</sup>Ibid., 31-62.

<sup>9</sup>T.C. Williams to James Thomas, Jr., Danville, 12 May 1865, Thomas Papers.

<sup>10</sup>Ibid.

<sup>11</sup>T.C. Williams to James Thomas, Jr., Danville, 14 May 1865, *ibid.*

<sup>12</sup>Levi Holbrook to Andrew Johnson, Danville, 3 June 1865, Sutherlin Papers.

loyalty was actually an act of necessity if one wished to protect what few possessions one still had left after the war. For stubborn tobacconists, a refusal to take "the oath" was to risk an automatic forfeiture of any remaining capital assets.<sup>13</sup> Radical Republicans in Congress insisted that former Confederates or even former Confederate sympathizers "pay" for the damages that the Civil War created. The predominant sentiment in Congress at this time was that the former Confederacy should be punished for seceding from the Union, and for embracing the repugnant practice of slavery.

Social and political turmoil in the South continued to hamper the recovery of the tobacco trade during the later months of 1865. Tobacconists frequently complained about the expensive freight charges (\$2 to \$3 per hogshead) that they were expected to pay in transporting their tobacco to market.<sup>14</sup> Planters employed workers under labor agreements which obligated the tobacco hands "by the month, some until Christmas, and some for the next year."<sup>15</sup> Once hired hands were secured, the postbellum tobacco planter could harvest what meager quantities of tobacco he had available. The

---

<sup>13</sup>T.C. Williams to James Thomas, Jr., Danville, 9 June 1865, Thomas Papers.

<sup>14</sup>T.C. Williams to James Thomas, Jr., Danville, 12 June 1865, *ibid*.

<sup>15</sup>Bird L. Ferrell to P.W. Ferrell, Richmond, 23 November 1865, Sutherlin Papers.

planter who succeeded in conducting a tobacco harvest that was even remotely fruitful was still subject to political developments from Washington. In January 1866, one particular Southern planter was advised to have all of his tobacco "inspected and branded at once. The radicals think the Southern people have received too many favors already."<sup>16</sup>

Commercial progress began to take place in the tobacco manufacturing centers of Virginia and North Carolina in 1866. Mechanization revolutionized the tobacco manufacturing procedure. Outing and pressing machines increased the productivity of manufactured tobacco significantly.<sup>17</sup> New fertilizers were developed; George P. Kane, co-owner of the Roanoke Tobacco Company (Danville, Virginia) developed a fertilizer which consisted of ground bone dust and tobacco dust. This fertilizer was much more cost-effective than guano, which was used extensively before the war.<sup>18</sup> Tobacco's place in society changed after the war as its consumption became more widespread. Tobacco came into use in other surprising roles.

Leaf tobacco was used as poultices on human beings

---

<sup>16</sup>Frick and Ball to Finney, Carter, and Muse, Baltimore, 20 January 1866, *ibid.*

<sup>17</sup>George P. Kane to Charles Macgill, Danville, 13 July 1866, the Charles Macgill Papers, Special Collections, Perkins Library, Duke University, Durham, N.C. (hereafter referred to as Macgill Papers).

<sup>18</sup>George P. Kane to Charles Macgill, Danville, 23 June 1866, *ibid.*

and as a raw material for insecticides to kill vermin on dogs and cats. Tobacco smoke was used in greenhouses to kill pests. Stems were used as fertilizer and brews made from tobacco were used to destroy grubs on fruit trees and ticks on sheep.<sup>19</sup>

In an effort to raise capital for insurance and investment, some postbellum tobacconists offered stock and an interest in their machinery in exchange for capital investment.<sup>20</sup> With little or no American currency circulating in the South, tobacco manufacturers were sometimes forced to lay off employees at their factories. Low sales and the absence of investors both contributed to the plight of postbellum tobacconists as well.<sup>21</sup>

Tobacco manufacturers attempted to revitalize their pre-war tobacco accounts with dealers in the North and in Europe. In late 1866, tobacco price currents published by the Tobacco Exchange in both Richmond and Petersburg indicated that modest quantities of the article were being prized (packaged), inspected, and shipped via the James River to New York, Philadelphia, Baltimore, and London.<sup>22</sup>

---

<sup>19</sup>Barbara Napier Bennett, *W.T. Sutherlin and the Danville Tobacco Industry* (Greensboro: University of North Carolina Press, 1974), 71-72.

<sup>20</sup>George P. Kane to Charles T. Montagne, Danville, 17 July 1866, Macgill Papers.

<sup>21</sup>George P. Kane to Charles Macgill, Danville, 25 August 1866, *ibid.*

<sup>22</sup>*Richmond Price Current*, Richmond, Virginia, 1 August 1867, vol. 1, no. 7. Price currents which were published in Richmond, Petersburg, and Lynchburg at regular intervals between 1866 and 1872 reveal that the Virginia tobacco

Tobacco prices fluctuated from 1866 to the early 1870s. Manufactured tobacco was priced by the pound. Leaf tobacco was priced in five-hundred-pound quantities. The grade or quality of the manufactured or leaf tobacco determined its market value. Among the many grades assigned to tobacco at this time were: common, fair, good shipping, common bright, medium bright, good bright, fine bright, fine English shipping, and extra fancy. Common leaf tobacco commanded a price of \$10 to \$12 per five hundred pounds. The extra-fancy grade of leaf was worth anywhere from \$75 to \$100 per five hundred pounds. The prices for manufactured tobacco ranged from \$.14 to \$.38 per pound at this time.<sup>23</sup>

The revenue tax placed upon Southern tobacco (five to thirty-five cents per pound) put some small tobacco manufacturers in danger of financial ruin.<sup>24</sup> One enraged tobacconist, George P. Kane of Danville, spoke for many in the Southern postbellum tobacco community by exclaiming that "the idea of people paying such taxes for such government as we have is about the greatest absurdity imaginable. I feel it the subjugation of our people. Not a pound of tobacco

---

industry was slow to regain the vigor of its antebellum trade with domestic and foreign markets. For postbellum statistics on British tobacco importation, please see Appendix 4.

<sup>23</sup>*Richmond Price Current*, Richmond, Virginia, 12 September 1867, vol. 1, no. 13.

<sup>24</sup>George P. Kane to Charles Macgill, Danville, 28 July 1866, Macgill Papers.

can we send from the mill as at present."<sup>25</sup> As 1866 came to a close, tobacconists faced major questions as to whether to sell or hold their tobacco stock in light of the perplexing economic restrictions of the times.<sup>26</sup>

Tobacco company employees, investors, and stockholders were all at the mercy of the waning public demand for the article in early 1867. Executives who ran tobacco factories were frequently unable to draw salaries due to a lack of company capital.<sup>27</sup> High taxes and the shortage of capital investment forced tobacco manufacturers to raise dramatically the prices of their tobacco products. Other expenses continued to cut into the capital outlay of struggling postbellum tobacconists. Appropriate packaging and marketing strategies for the tobacco leaf required large sums of money; some in the business were faced with the prospect of securing high-interest loans in order to make ends meet.<sup>28</sup>

By late 1867, these hardships began to drive some tobacco manufacturers of the Old South out of business.

---

<sup>25</sup>George P. Kane to Charles Macgill, Danville, 14 July 1866, *ibid.*

<sup>26</sup>George P. Kane to Charles Macgill, Danville, 21 December 1866, *ibid.*

<sup>27</sup>George P. Kane to Charles Macgill, Danville, 21 January 1867, *ibid.*

<sup>28</sup>George P. Kane to Charles Macgill, Danville, 28 September 1867, *ibid.*



Many formerly prosperous manufacturers and dealers were on the brink of bankruptcy. George P. Kane, president of the Roanoke Tobacco Co. of Danville, reported to Dr. Charles Macgill, the chief stockholder of the company, "I have toiled and written all over the country, but I know and knew from the start that the only way to sell [tobacco] is for an owner to travel all the time."<sup>29</sup> Apprehensive manufacturers of limited financial means commented on "how terribly gloomy business looks all over the land"<sup>30</sup> and that "great anxiety on the minds of all businessmen here prevails on the minds of all here."<sup>31</sup> In May 1868, George P. Kane remarked that the continuation of these extenuating economic difficulties would "end every factory in the South, except perhaps some few, who have the money, like James Thomas, Jr."<sup>32</sup>

Many tobacconists throughout the former Confederacy continued to reel into insolvency in 1868 and 1869. "Business continued to be depressed as well as spirits."<sup>33</sup> The grim provisions of Radical Reconstruction had a

---

<sup>29</sup>George P. Kane to Charles Macgill, Danville, 18 October 1867, *ibid.*

<sup>30</sup>George P. Kane to Charles Macgill, Danville, 25 February 1868, *ibid.*

<sup>31</sup>William Barrett to William J. Pendleton, Richmond, 13 March 1868, Pendleton Papers.

<sup>32</sup>George P. Kane to Charles Macgill, Danville, 29 May 1868, Macgill Papers.

<sup>33</sup>William Barrett to Madison Pendleton, Richmond, 4 February 1869, Pendleton Papers.

suffocating effect on even the most financially secure planters and manufacturers of tobacco. The devastating effects of war and Reconstruction were too great for the Southern tobacco industry to immediately recover from. It would take the tobacco business another ten years following the end of Reconstruction in Virginia to slowly return to its former level of economic and commercial importance in the South.<sup>34</sup>

In 1860, at least six of ten large manufacturers surveyed in Richmond had a capital value exceeding \$150,000. The four "smaller" tobacco firms had a capital value which exceeded \$30,000. The tobacco manufacturing firms of Patterson and Williams, Turpin and Yarbrough, R.A. Mayo, and W.R. Robinson all were worth in excess of \$30,000 in 1860. The capital value of the larger manufacturers was impressive. Thomas and Samuel Hardgrove and the firm of W.H. Grant were each worth at least \$150,000 each. J.H. Grant's enterprise was valued at between \$400,000 and \$500,000. D.B. and N.W. Harris were worth \$500,000. The two largest tobacco manufacturers in Richmond, James Thomas, Jr. and William Barrett were each worth over \$600,000 in

---

<sup>34</sup>Please refer to Appendix 14 on page 131 and Appendix 15 on page 132. These statistics reflect the reduction in tobacco production in Virginia during the postbellum period of 1865 to 1870.

1860.<sup>35</sup>

The fortunes of these manufacturers changed significantly because of the war. Five of the ten manufacturers surveyed in 1860 were out of business after 1865. The tobacco firm of D.B. and N.W. Harris was destroyed in a cavalry raid by General Philip Sheridan in 1864. The five firms which survived the war enjoyed varying degrees of prosperity after 1867. By 1867, James Thomas, Jr. was again worth \$500,000, regaining the prosperity he enjoyed before the war. By 1868, Turpin and Yarbrough had also restored prosperity to their enterprises. William Barrett was perhaps the most resilient and prosperous of the tobacco manufacturers of the immediate postbellum period. He was worth nearly \$1,000,000 in 1868. R.A. Patterson, a nephew of James Thomas, Jr., and his partner, Thomas C. Williams, achieved a capital value of \$800,000 by 1870. Williams became the personal attorney for James Thomas, Jr. after the war. Their relationship extended beyond friendship into business. Patterson and Williams continued to enjoy the advice and financial support of James Thomas, Jr. until his death at the age of seventy-six in 1882. Patterson and Williams continued to prosper in the tobacco

---

<sup>35</sup>All of the financial citations referred to above were taken from the R.G. Dun and Co. Collection, Special Collections, Baker Library, Graduate School of Business Administration, Harvard University, Boston, Massachusetts, 1849-1890. All individual citations are listed in Appendix 1 on page 113.

manufacturing business well into the 1880s.<sup>36</sup>

The southern tobacco industry continued to re-emerge and grow in the 1870s. It developed gradually into a modern, thriving economic giant. Ironically, the war provided a stimulus to the production of tobacco in the late 1870s by introducing soldiers of the Union and Confederate armies to the weed. "Chewing was no longer accepted in many social circles, but hand-rolled cigarettes became very popular since they were no longer considered to be effeminate."<sup>37</sup> James Bonsack's invention of the cigarette manufacturing machine revolutionized the southern tobacco industry forever. "In 1876, his machine-made cigarettes were introduced at the Philadelphia Exposition."<sup>38</sup> Hand-rolled cigarettes became a thing of the past as a result of Bonsack's invention. "A rapid cigarette-maker, by hand, could make 2,500 a day. In only ten hours, the Bonsack machine could produce 120,000 cigarettes, the equivalent of a day's work for forty-eight laborers!"<sup>39</sup> The tobacco firm of Allen and Ginter was the first company in Richmond to employ the Bonsack machine; Washington Duke and Sons, Co. was the first company in North Carolina to do so. Duke's

---

<sup>36</sup>Ibid.

<sup>37</sup>Bennett, 71.

<sup>38</sup>Ibid.

<sup>39</sup>Paul, 208.

American Tobacco Company emerged in the mid-1880s as one of the most productive and prosperous tobacco manufacturers in America.<sup>40</sup> By 1883, Duke was manufacturing 250,000 cigarettes a day, and was exporting tobacco not only all over the country, but to sixteen foreign countries as well.<sup>41</sup> After being nearly destroyed by the Civil War, the tobacco industry of the former Confederacy inevitably surpassed its accomplishments of the antebellum period.

The Confederate policy of "King Tobacco" diplomacy failed for several important reasons. The Confederacy mismanaged the potential economic and political value of tobacco. Confederate policy was inevitably far more detrimental than war to the economic and political potential that tobacco presented to the interests of the Confederate States of America. Confederate tobacco policy was inconsistent, contradictory, and misconstrued by legislators. Poorly-designed tax policy and harmful legislation prevented tobacco from becoming the valuable asset the Confederacy had hoped it would be. Four of the five factors which contributed to the eventual paralysis of the Confederacy's domestic tobacco trade were byproducts of war:

- the commercial chaos which gripped the industry

---

<sup>40</sup>Ibid.

<sup>41</sup>Ibid., 111-12.

immediately after the Confederate attack on Fort Sumter;

- transportation and communications disruptions;
- the capture or destruction of tobacco by Federal armies; and
- impressment of tobacco and capital by Federal armies.

Yet, it was the Confederacy itself that had the most damaging influence on its domestic tobacco trade.

Inappropriate policies regarding tobacco taxation and legislation were far more harmful to the well-being of its tobacco industry than the war was.

Confederate interests in the international tobacco trade were undermined by two principal factors:

- the successful implementation of the Federal blockade of Southern ports from the Potomac to the Rio Grande; and
- the emergence of alternative sources of tobacco in Europe.

Although some Confederate tobacco did break through the blockade via foreign vessels and Confederate blockade runners, the flow of tobacco from southern ports to European customers was progressively snuffed out between May 1861 and December 1863. As a result, European consumers began to patronize other countries for a steady and reliable source of tobacco. By 1863, the Confederate international tobacco

trade was essentially neutralized by the Federal blockade and by the competition of foreign tobacco-producing nations.

Diplomatically, tobacco was used as a bargaining chip by the Confederacy in an effort to gain independent status and official political recognition from the world's greatest economic and military powers, Great Britain and France. Over the course of the war, tobacco played a primary role in several international diplomatic crises:

- the *Hiawatha* and *Tropic Wind* incidents;
- the *Trent* affair;
- the Franco-Confederate attempt to ship French-owned tobacco from Richmond through the blockade.

In each case, tobacco (or the *promise* of tobacco) failed to bring the Confederacy the military assistance and diplomatic recognition it so desperately desired. Tobacco was simply not diplomatically enticing enough to the French or British to risk war with the United States.

Statistics compiled in the census of 1860 bear witness to the fact that the southern antebellum tobacco industry had no global rival immediately before the Civil War. Only cotton was more economically profitable and politically valuable than tobacco to the South in 1861. The tobacco statistics reported in the census of 1870 demonstrate the devastating impact that the war had on the Confederate tobacco industry. Production capital value figures of the postwar years reveal why it took nearly

fifteen years for the southern tobacco trade to re-emerge as an eminent economic industry. By all accounts, tobacco played a vital role in the interests of the South from 1850 to 1880; it was second in economic and political importance only to cotton during the Confederate era.

Historians have thoroughly examined the political and economic role that cotton played in southern affairs during the Confederate era. No study has been conducted which examines the valuable role that tobacco played in southern commerce and diplomacy from 1850 to 1880. Research that has been done in regard to tobacco and Confederate policy is nearly nonexistent due to the absence of statistical data from 1861 to 1865.

Joseph C. Robert's *The Tobacco Kingdom* is a well-documented study of the history of tobacco production in Virginia from 1800 to 1860. Robert relies mainly upon the statistical data found in the census reports of this period in his text. He also does an admirable job of providing biographical profiles of tobacco planters and manufacturers. The major shortcoming of Robert's work is his failure to address the role that tobacco played in Confederate affairs from 1861 to 1865. Robert fails to address the role that tobacco played in Confederate domestic policy, foreign trade, and foreign diplomacy. He also fails to mention the rise of the southern tobacco industry in the postbellum era.

B.W. Arnold's *History of the Tobacco Industry in*



*Virginia from 1860 to 1894* is almost entirely dependent upon the census returns of 1860, 1870, 1880, and 1890. His text is relatively short; his narration simply ties his statistical citations together. Again, Arnold makes no mention whatsoever of tobacco and its role in Confederate affairs during the war.

Barbara N. Bennett and Katherine S. Perry have each written monographs which discuss the southern tobacco industry in the postbellum period. Bennett's *William T. Sutherlin and the Danville Tobacco Industry* discusses the influence that Sutherlin had on the tobacco trade of Pittsylvania County, Virginia, from 1867 to 1894. Perry's *History of Farm Tenancy in the Tobacco Region of Virginia* describes the rise of tenant farming and sharecropping in the tobacco belt of Virginia from 1865 to 1950.

Several authors have written articles or done brief studies of specific cases involving tobacco and Confederate affairs. Warren F. Spencer's "French Tobacco in Richmond" is an excellent, detailed account of the most important tobacco-related diplomatic affair of the Civil War. Mountague Bernard briefly examines a tobacco-related subject in his book, *A Historical Account of the Neutrality of Great Britain during the American Civil War*. Bernard explores the arena of international law as it applied to Federal prize court cases which involved the detention of tobacco-laden ships of foreign registry.

None of the authors mentioned above addresses the vital issues which involved tobacco and Confederate policy. Monographs and articles which do investigate the southern tobacco industry fail to examine the article at its most critical moment in southern history: the American Civil War. Warren F. Spencer, Bingham Duncan, Frank L. Olmstead, and M.L. Bonham, Jr. have all published valuable articles which shed some light on the role that tobacco played in the South during the Confederate era.

## BIBLIOGRAPHY

### Primary Sources

#### Private Papers

Duke, Washington. 1863-1911. Letters. Special Collections, Perkins Library, Duke University, Durham, North Carolina.

Macgill, Charles. 1865-1869. Letters. Special Collections, Perkins Library, Duke University, Durham, North Carolina.

Pendleton, Madison and William J. 1849-1866. Letters. Special Collections, Perkins Library, Duke University, Durham, North Carolina.

Sutherlin, William T. 1849-1868. Letters. Special Collections, Perkins Library, Duke University, Durham, North Carolina.

Thomas, James, Jr. 1839-1878. Letters. Special Collections, Perkins Library, Duke University, Durham, North Carolina.

#### Government Documents

Beers, Henry Putney. *Guide to the Archives of the Government of the Confederate States of America*. Washington, D.C.: Government Printing Office, 1968.

British Sessions Papers, Edgar L. Erickson, ed. House of Commons. New York: Readex Microprint, 1966.

Confederate States of America. *Journal of the Congress of the Confederate States of America, 1861-1865*. 7 vols. Washington, D.C.: Government Printing Office, 1905.

*Hansard's Parliamentary Debates*. New York: Kraus Reprint Co., 1971.

Mitchell, B.R. *Abstract of British Historical Statistics*. Cambridge: University Press, 1962.

- United States. *The Statutes at Large, Treaties and Proclamations of the United States of America*. Boston: Little, Brown, 1860-1869.
- U.S. Census, 1850: *Manufacturing Schedule, Virginia*. Washington, D.C.: Government Printing Office, 1853.
- U.S. Census, 1860: *Manufacturing Schedule, United States, Virginia*. Washington, D.C.: Government Printing Office, 1863.
- U.S. Census, 1870: *Manufacturing Schedule, United States, Virginia*. Washington, D.C.: Government Printing Office, 1873.
- U.S. Congress, House. *Tobacco Trade*. 36th Cong., 1st sess., 1860.
- U.S. Congress, Senate. *Letter of the Commissioner of Agriculture*. 38th Cong., 1st sess., 1864.
- U.S. Department of State. *Foreign Relations of the United States*. Washington, D.C.: Government Printing Office, 1861-1957.
- U.S. War Department. *The Official Records of the Union and Confederate Armies*. Washington, D.C.: Government Printing Office, 1880-1901.
- U.S. War Department. *The Official Records of the Union and Confederate Navies*. Washington, D.C.: Government Printing Office, 1880-1901.

#### Published and Unpublished Documents

- Crandell, Marjorie L. *Confederate Imprints: A checklist based principally on the collection of the Boston Atheneum*. Boston: Boston Atheneum, 1955.
- Dun, R.G. and Co. Collection. *Special Collections, Baker Library, Graduate School of Business Administration, Harvard University, Boston, Massachusetts, 1849-1890*.
- Library of Congress. *Department of State Papers*. Washington, D.C.: Manuscript Division, Confederate States of America, 1861-1865 (also cited as Pickett Papers).
- Parrish, T. Michael. *Confederate Imprints: A bibliography of Southern publications from secession to surrender: expanding and revising the earlier works of Marjorie Crandell and Richard Harwell*. Austin: Jenkins

Publishing Co., Katonah, N.Y., 1984.

Southern Historical Society. *Southern Historical Society Papers*. Richmond: William Byrd Publishing Co., 1898-1959, 52 vols.

### Newspapers

*London Times*

*New York Times*

*Richmond Price Currents*

### **Secondary Sources**

### Periodicals

Bonham, M.L., Jr. "The French Consuls in the Confederate States." *Studies in Southern History and Politics: Inscribed to William Archibald Dunning*. New York: Kennikat Press, 1914.

DeBow, J.D.B. *DeBow's Magazine*. New Orleans: n.p., 1853-1864.

Duncan, Bingham. "Franco-American Tobacco Diplomacy." *Maryland Historical Magazine* 51 (December 1956): 273-301.

Olmstead, F.L., "Tobacco Tax of 1863 to 1864." *Quarterly Journal of Economics* 5 (January 1891): 193-219.

Spencer, W.F. "French Tobacco in Richmond." *The Virginia Magazine of History and Biography* 71 (April 1963): 187-202.

### Monographs

Arnold, B.W. *History of the Tobacco Industry in Virginia from 1860-1894*. Baltimore: Johns Hopkins Press, 1897.

Bennett, Barbara N. *William T. Sutherlin and the Danville Tobacco Industry*. Greensboro: University of North Carolina Press, 1974.

Bernard, Mountague. *A Historical Account of the Neutrality of Great Britain during the American Civil War*. New York: Lennox Hill, 1971.

Case, Lynn M. and Warren F. Spencer. *The United States and*

- France. *Civil War Diplomacy*. Philadelphia: University of Pennsylvania Press, 1970.
- Davis, Charles S. *Colin McRae: Confederate Financial Agent*. Tuscaloosa: Confederate Publishing Co., Inc., 1961.
- Freeman, Douglas Southall. *Lee's Lieutenants*. New York: Charles Scribner's Sons, 1944.
- Jacobstein, Meyer. *The Tobacco Industry in the United States*. Studies in History, Economics, and Public Law, Vol. 26, no. 3. New York: Columbia University Press, 1907.
- Owsley, Frank L. *King Cotton Diplomacy—Foreign Relations of the Confederate States of America* (Chicago: University of Chicago Press, 1931).
- Paul, Hiram V. *History of the Town of Durham, N.C.* Raleigh: Edwards, Broughton and Co., 1884.
- Perry, Katherine S. *History of Farm Tenancy in the Tobacco Region of Virginia (1865-1950)*. Cambridge: Radcliffe College Press, 1956.
- Robert, Joseph C. *The Tobacco Kingdom*. Durham: Duke University Press, 1938.
- Tilley, Nannie Mae. *The Bright Tobacco Industry, 1860-1929* (Durham: Duke University Press, 1948).
- Wise, Stephen R. *The Lifeline of the Confederacy*. Columbia: University of South Carolina Press, 1988.

# APPENDIX 1

## THE CAPITAL WORTH OF VIRGINIA TOBACCO MANUFACTURERS (in dollars)

TOBACCONIST <sup>1</sup>	CITY	1849-1850	1858-1859	POST-1865
Thomas and Samuel Hardgrove <sup>2</sup>	Richmond	\$30,000-40,000	\$150,000-200,000	Out of Business
James Thomas, Jr. <sup>3</sup>	Richmond	\$40,000-50,000	\$500,000-600,000	\$400,000-500,000 in 1867 <sup>4</sup>
J.H. Grant <sup>5</sup>	Richmond	\$25,000	\$400,000-500,000	Out of Business
Turpin and Yarbrough <sup>6</sup>	Richmond	Not available	\$40,000-50,000	\$40,000-50,000 in 1868
W.H. Grant <sup>7</sup>	Richmond	\$75,000-100,000	\$150,000-200,000	Out of Business
William Barrett <sup>8</sup>	Richmond	\$30,000-40,000	\$600,000-700,000	\$500,000-1,000,000 1868
R.A. Mayo <sup>9</sup>	Richmond	Not available	\$50,000-60,000	Out of Business
R.A. Patterson and T.C. Williams <sup>10</sup>	Richmond	Not in Business	\$25,000-30,000	\$800,000 in 1870 <sup>11</sup>
W.R. Robinson <sup>12</sup>	Richmond	\$40,000 in 1855	\$50,000-60,000	Out of Business
D.B. and N.W. Harris <sup>13</sup>	Louisa Co.	Not available	\$500,000	Business destroyed by Sheridan in 1864
James Fisher <sup>14</sup>	Manchester	\$15,000-20,000	Failed in 1858	-

<sup>1</sup>All of the citations below were taken from R.G. Dun and Co. Collection, Special Collections, Baker Library, Graduate School of Business Administration, Harvard University, Boston, Massachusetts.

<sup>2</sup>Va. vol. 43, 48.

<sup>3</sup>Ibid., 87.

<sup>4</sup>Ibid., 44, 224.

<sup>5</sup>Ibid., 43, 102.

<sup>6</sup>Ibid., 103.

<sup>7</sup>Ibid., 103.

<sup>8</sup>Ibid., 104.

<sup>9</sup>Ibid., 244.

<sup>10</sup>Ibid., 372.

<sup>11</sup>Ibid., 44, 224.

<sup>12</sup>Ibid., 43, 243.

<sup>13</sup>Ibid., 24, 286.

<sup>14</sup>Ibid., 43, 87.



## APPENDIX 2

### ANTEBELLUM TOBACCONISTS

Among the many national tobacconists of the 1850s were the following. They are organized by geographic region (North, Deep South, West) and by city (Boston, New York, Baltimore, etc.) (compiled from James Thomas letters and other sources). This list is limited to those tobacconists cited in Chapter 2.

#### **Northern Firms**

Boston	W.H. Wilkinson G. W. Abbott Fisher and Co. J.H. and S.G. Thayer
Portland (Maine)	J.B. Carroll
New York	William H. Price Charles M. Connolly Ludlam and Heineken J.A. and T.A. Patterson J.R.S. Pendleton G.W. Hillman and Co.
Philadelphia	Bucknor and McCammon Motzer and Brehm
Baltimore	James Wilson Jacob Heald Thomas B. Skinner Claiborne, Ferguson and Co.
Cincinnati	Kennett, Dudley and Co.
Chillicothe (Ohio)	Samuel T. DeFan

#### **Southern Firms**

Richmond	Morton Armstead J.H. Motley D.T. Williams Dean, Brown, and Co. George W. Allen
Danville	E.J. Collier R.A. Miles
Fredericksburg	Hill and Warren
Whillacke (N.C.)	Thomas E. Barksdale
Cedar Grove (N.C.)	Thomas W. Lindsey
New Orleans	J.C. Glenn and Co. Wills and Rawlins

**Southern Firms (cont'd).**

(New Orleans)	Van Benthuyssen and Crofton
	J.T. Doswell
Charleston	Adams Frost and Co.
Mobile	Robert T. Dade
Portsmouth (Va.)	Buskirk and Davis and Co.
Jackson (Miss.)	Fears and Putnam
Oglethorpe (Ga.)	John W. Babb

**Western Firms**

San Francisco	J.H. Coghill
St. Louis	A.J. Seemullen
	Thomas Mullin
Louisville	John Ward
Chicago	G. Frankenthal

### APPENDIX 3

#### FOREIGN TOBACCO DEALERS

Nearly a dozen foreign tobacco dealers were in constant communication with the most prominent tobacco planters and manufacturers of the Richmond area throughout the 1850s. These dealers continued to do business with Southern tobacco concerns throughout the war despite the limitations of inflation, market fluctuation, communication, and the Federal naval blockade of Confederate ports. The following firms were the most important foreign tobacco companies involved in the international tobacco trade immediately before and during the American Civil War. Please refer to footnoted citations in the text for additional foreign tobacco firms which patronized Confederate tobaccoists during the war.

Mailler, Lord, and Quereau of Melbourne and Adelaide  
William Oxley and Son of Liverpool  
D. McPherson and Co. of Melbourne and Sydney  
Greene, Heath, and Allen of Melbourne and San  
Francisco  
John K. Gilliat and Co. of London and Liverpool  
H.H. Meier and Co. of Bremen  
Fisher, Ricards, and Co. of Melbourne and New York  
D.H. Watjen and Co. of Bremen  
Boninger, Kramer and Co. of Bremen  
Mees and Moens of Amsterdam and Rotterdam  
Robert Edwards of London and Liverpool  
Robert Somervail of Liverpool  
G.F. Davis and Co. of London

#### APPENDIX 4

##### VALUE OF TOBACCO IMPORTED INTO THE UNITED KINGDOM (1855-1870)

YEAR	VALUE (IN £000,000)
1855	1.6
1856	2.2
1857	2.2
1858	2.5
1859	1.8
1860	1.8
1861	2.2
1862	2.4
1863	3.0
1864	3.4
1865	3.3
1866	2.6
1867	2.4
1868	2.3
1869	2.3
1870	2.4

Source: B.R. Mitchell, *Abstract of British Historical Statistics* (Cambridge: University Press, 1962), 298.

# APPENDIX 5

## TOBACCO MANUFACTURERS OF RICHMOND IN 1850

NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
James Thomas, Jr.	600,000	120,000
Poiteaux Robinson	1,000,000	150,000
J.L. Liggon	250,000	62,500
J.J. Goode	300,000	75,000
B.L. Turpin	166,000	26,000
R.A. Mayo	270,000	45,000
W.R. Myers	1,000,000	350,000
Hoorich and Bro.	201,189	43,000
George Mills	613,963	95,000
James Fisher	300,000	42,000
L.L. Saunders	275,000	38,500
Gilliam and Matthews	630,000	80,000
John Enders	500,000	90,000
Turpin and Yarbrough	300,000	54,000
N.B. Hill and Co.	250,000	45,000
William Barrett	400,000	100,000
P.B. Harwood	225,000	37,000
R.D. Christian	160,000	28,900
William Graner and Son	600,000	108,000
Thomas and Samuel Hardgrove	900,000	225,000
J.H. Grant	1,320,000	198,000
E.A. Smith	235,000	33,750
W.H. Grant	600,000	85,000
C.P. Wood	200,000	30,000

Source: U.S. Census, 1850: Manufacturing Schedule, Virginia, Henrico Co. (Washington, D.C.: Government Printing Office, 1853).

# APPENDIX 6

## TOBACCO MANUFACTURERS OF LYNCHBURG IN 1850

NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
Granville Jordan	40,000	8,000
Norwich and Otey	157,000	30,000
James Saunders	300,000	50,000
McCorkle and Simpson	150,000	30,000
J.L. Clayton	190,000	33,000
J.L. Brown	—	20,000
M. Langhorne and Sons	320,000	75,000
J.P. Knight	100,000	15,000
Tyler and Anderson	100,000	20,000
Halsey and Crenshaw	200,000	20,000
Augustus Leftwich	140,000	30,000
N.S. Loyd	120,000	25,000
John Boisseau	220,000	45,000
Scholfield and Lewis	100,000	20,000
W.L. Saunders	120,000	40,000
William Crompton	220,000	50,000
W.P. Allison	150,000	30,000
W.H. Langhorne and Co.	120,000	18,000
Roberts and Sisson	110,000	18,000
T.P. Nash	200,000	40,000
Seldon and Anthony	200,000	40,000
Buston and Mayo	200,000	45,000
G.W. Warwick	100,000	20,000
Cabaniss and Armistead	130,000	20,000
A.H. Armistead	300,000	60,000
W.D. Miller	110,000	22,000
Dudley and John	350,000	88,000

NAME OF TOBACCONIST	QUANTITY OF	
	MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
E.T. Williams	180,000	28,000
A.B. Gaulett	15,000	3,000
John Rucker	200,000	25,000

Source: U.S. Census, 1850: Manufacturing Schedule,  
Virginia, Campbell Co. (Washington, D.C.: Government  
Printing Office, 1853).

# APPENDIX 7

## TOBACCO MANUFACTURERS OF DANVILLE IN 1850

NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
W.H. and J.H. Payne	75,000	10,000
S.W. Lanier	40,000	4,000
Griggs and Garrant	42,000	4,500
Pritchill and Hutchinson	75,000	8,000
Kern and Watkins	75,000	8,000
Bartlett Joiner	53,000	7,500
Williams and Granley	50,000	8,000
J.A. May	50,000	5,000
Miller and Trotter	35,000	5,100
W.D. Williams	28,000	3,500
W.W. Kean	80,000	10,000
Wellington Witches	20,000	3,200
A. Barksdale	600,000	96,000
Miller and Tisler	150,000	20,000
Anderson and Co.	200,000	25,000
Wills and Anderson	500,000	60,000
Hebron Johns	750,000	90,000
Samuel Berger	30,000	6,700
John Swanson	32,500	7,875
Jones and Watkins	112,500	20,200
Joab Watson	12,000	1,500
William Ayers	200,000	33,000
Holing and Walk	350,000	45,000
Holland and Law	215,000	32,000
John W. Holland	90,892	14,500



NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
Laird Brown	275,000	33,000
W.T. Sutherlin	370,000	35,000

Source: U.S. Census, 1850: Manufacturing Schedule,  
Virginia, Pittsylvania Co. (Washington, D.C.: Government  
Printing Office, 1853).

# APPENDIX 8

## TOBACCO MANUFACTURERS OF FARMVILLE IN 1850

NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
J.W. Dunnington	300,000	20,000
Williams and Venable	100,000	6,000
George Daniel	225,000	26,500
Read and Carrington	80,000	15,000
C.C. Read	176,000	28,000

Source: U.S. Census, 1850: Manufacturing Schedule,  
Virginia, Prince Edward Co. (Washington, D.C.: Government  
Printing Office, 1853).

# APPENDIX 9

## TOBACCO MANUFACTURERS OF RICHMOND IN 1860

NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
John W. Atkinson	450,000	90,000
Baker, Pleasants, and Frayser	64,466	22,485
Bond and Talbott	250,000	40,000
South and McCurdy	400,000	65,000
William Graner	700,000	140,000
Faunley and Walsh	154,000	29,500
John E. Whitlock	200,000	90,000
Jones and Thornton	387,905	65,945
Hunt and Hail	50,000	10,000
P.A. Blackburn	500,000	100,000
J.B. Legan	250,000	45,000
Christian and Sell	700,000	190,000
W.R. Robinson	390,400	80,500
Samuel Gaithwright	21,875	2,087
E.S. Turpin and Co.	475,000	70,000
C.E. Kent	500,000	98,000
J.H. Greanor	600,000	155,000
W.R. Grant	1,350,000	245,000
J.P. Royster	750,000	200,000
A.W. Taylor	300,000	50,000
Turpin and Yarbrough	700,000	175,000
Washington Ross	350,000	70,000
S.M. Bailey	500,000	115,000
W.J. Westson	200,000	40,000
G.P. and J.H. Wood	536,961	100,000

NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
Coleman Wortham	436,000	100,000
Patterson and Williams	450,000	90,000
John F. Allen	200,000	60,000
Crew and Pemberton	550,000	90,000
Robert J. Higgins	250,000	42,500
W.A. Grant	500,000	140,000
William Garrett	590,000	105,200
R.M. Stevenson	350,000	50,000
A.R. Thomas	660,000	150,000
E.H. Simpson	35,000	2,800
Cosby and Anderson	500,000	100,000
Sydnor and Anderson	320,000	57,600
James Thomas, Jr.	1,100,000	225,000
T.L. Timberlake	200,000	36,000
J.H.F. Mayo	600,000	72,000
J.H. Gentry and Co.	500,000	125,000
James Downing	400,000	72,000
J.D. Harwood	450,000	100,000
R.A. Mayo	315,000	80,000
Thomas and Samuel Hardgrove	800,000	190,000
Roddy and Strother	500,000	75,000
J.D. Blair	250,000	32,000

Source: U.S. Census, 1860: Manufacturing Schedule, Virginia, Henrico Co. (Washington, D.C.: Government Printing Office, 1863).

# APPENDIX 10

## TOBACCO MANUFACTURERS OF LYNCHBURG IN 1860

NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
Cabell and Whitehead	250,000	30,000
Augustine Leftwich	1,000,000	80,000
Jesse Kease	270,000	50,000
J.M. Becker	300,000	60,000
McCorkle and Co.	200,000	30,000
M. Langhorne and Son	360,000	80,000
A.A. Read and Son	192,000	40,000
Piedmont Factory	30,000	3,500
James Knight	200,000	23,895
John Knight	100,000	18,000
W.D. Miller	200,000	25,000
J.W. Carroll	123,000	35,000
C.D. Mafair	320,000	50,000
Woodroof Factory	300,000	50,000

Source: U.S. Census, 1860: Manufacturing Schedule,  
Virginia, Campbell Co. (Washington, D.C.: Government  
Printing Office, 1863).

# APPENDIX 11

## TOBACCO MANUFACTURERS OF DANVILLE IN 1860

NAME OF TOBACCONIST	QUANTITY OF MANUFACTURED TOBACCO PRODUCED (in pounds)	VALUE (in dollars)
Sutherlin and Ferrell	255,000	70,000
S.H. Holland	150,000	40,000
J.B. Pace	160,000	25,000
J.J. Hawkins	120,000	21,600
J.H. Pemberton	300,000	54,000
W.T. Sutherlin	435,000	97,732
G.W. Williams	600,000	20,000
J.R. Miller and Son	105,000	25,000
E.W. Dixon	57,000	10,500
J.H. Trotter	100,000	23,000
R. Williams	60,000	16,000
T.R. Trotter	97,500	24,000
J.W. Holland	270,000	68,000

Source: U.S. Census, 1860: Manufacturing Schedule,  
Virginia, Pittsylvania Co. (Washington, D.C.: Government  
Printing Office, 1863).

# APPENDIX 12

## RAW TOBACCO PRODUCTION IN THE SOUTHERN STATES IN 1850 AND 1860 (in pounds)

	1850	1860
Virginia	56,803,227	123,968,312
North Carolina	11,984,786	32,853,250
Tennessee	20,148,932	43,448,097
Missouri	17,113,784	25,086,196
Maryland	21,407,497	38,410,965
Kentucky	55,501,196	108,126,840
All Southern States	199,735,993	434,183,561

Source: U.S. Census, 1860: Manufacturing Schedule, Virginia  
(Washington, D.C.: Government Printing Office, 1863).

# APPENDIX 13

## MANUFACTURED TOBACCO PRODUCTION FOR VIRGINIA, THE SOUTHERN STATES, AND THE UNITED STATES IN 1850 AND 1860

	VA (1850)	USA (1850)	VA (1860)	SOUTHERN STATES (1860)	USA (1860)
No. Establish- ments	209	1,418	261	409	626
Capital Invest- ment (in \$)	1,412,471	5,008,295	3,856,990	5,475,938	9,484,988
Cost of Raw Tobacco (in \$)	3,017,904	7,341,728	7,163,943	8,598,024	13,024,988
Male Hands	4,802	12,261	9,572	11,321	15,869
Female Hands	477	1,975	1,810	2,300	2,990
Annual Cost of Labor (in \$)	597,240	2,420,208	2,123,732	2,425,040	3,571,294
Annual Value of Product (in \$)	5,157,652	13,491,141	12,236,683	14,612,442	21,820,535

Source: U.S. Census, 1860: Manufacturing Schedule, United States (Washington, D.C.: Government Printing Office, 1863).



# APPENDIX 14

## TOBACCO PRODUCTION OF MANUFACTURERS IN CAMPBELL, PITTSYLVANIA, HENRICO, DINWIDDIE COUNTIES IN 1860

	CAMPBELL COUNTY	PITTSYLVANIA COUNTY	HENRICO COUNTY	DINWIDDIE COUNTY
No. Establish- ments	47	39	52	20
Capital Invest- ment (in \$)	787,690	258,000	1,121,025	587,000
Cost of Raw Tobacco (in \$)	1,197,437	767,071	2,882,415	1,056,170
Male Hands	1,310	829	3,370	1,676
Female Hands	279	220	34	840
Annual Cost of Labor (in \$)	263,580	269,316	714,384	469,752
Annual Value of Product (in \$)	2,081,149	1,031,544	4,838,995	2,167,202

Source: U.S. Census, 1860: Manufacturing Schedule, United States, Virginia (Washington, D.C.: Government Printing Office, 1863).

# APPENDIX 15

## TOBACCO MANUFACTURED IN LEADING COUNTIES IN VIRGINIA, 1870

COUNTY	NO. ESTABLISHMENTS	HANDS EMPLOYED	CAPITAL (in \$)	WAGES (in \$)	MATERIALS (in \$)	PRODUCT VALUE (in \$)
Henrico	38	3,970	580,500	688,820	2,384,787	3,984,918
Dinwiddie	15	1,739	384,550	299,965	1,022,658	1,819,286
Pittsylvania	8	601	70,800	52,600	245,836	456,631
Henry	4	147	73,000	10,680	62,505	131,000
Bedford	5	176	37,000	24,500	80,929	117,370
Chesterfield	2	97	32,000	24,850	58,888	104,771
Campbell	Not Available					

Source: U.S. Census, 1870: Manufacturing Schedule, United States (Washington, D.C.: Government Printing Office, 1872).

# APPENDIX 16

## POSTBELLUM TOBACCO PRODUCTION, 1870

	USA	VIRGINIA	NORTH CAROLINA
Establishments	5,204	131	111
Steam Engines			
Horsepower	2,688	239	—
Number	178	25	—
Water Wheels			
Horsepower	402	60	—
Number	26	2	—
Hands Employed			
Altogether	47,848	7,534	1,465
Males 16+	31,997	4,365	763
Females 15+	7,794	1,312	332
Youth	8,057	1,857	370
Capital (in \$)	24,924,330	1,391,925	375,882
Wages (in \$)	14,315,342	1,181,418	102,144
Material Used (in \$)	34,656,607	4,082,181	391,027
Tobacco Product Value (in \$)	71,762,044	7,054,770	718,765

Source: U.S. Census, 1870: Manufacturing Schedule, United States (Washington, D.C.: Government Printing Office, 1872).